

112TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

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

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IN THE SENATE OF THE UNITED STATES

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Mr. LIEBERMAN (for himself, Ms. COLLINS, Mr. CARPER, and Mr. BROWN of Massachusetts) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “21st Century Postal  
5 Service Act of 2011”.

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

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

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Definitions.

## 2

- Sec. 101. Treatment of surplus contributions to Federal Employees Retirement System.
- Sec. 102. Additional service credit.
- Sec. 103. Medicare coverage for Postal Service Medicare eligible annuitants.
- Sec. 104. Restructuring of payments for retiree health benefits.
- Sec. 105. Postal Service Health Benefits Program.
- Sec. 106. Arbitration; labor disputes.

## TITLE II—POSTAL SERVICES AND OPERATIONS

- Sec. 201. Postal facilities.
- Sec. 202. Additional Postal Service planning.
- Sec. 203. Area and district office structure.
- Sec. 204. Retail service standards.
- Sec. 205. Conversion of door delivery points.
- Sec. 206. Limitations on changes to mail delivery schedule.
- Sec. 207. Time limits for consideration of service changes.
- Sec. 208. Public procedures for significant changes to mailing specifications.
- Sec. 209. Nonpostal products and services.

## TITLE III—FEDERAL EMPLOYEES' COMPENSATION ACT

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

## TITLE IV—OTHER MATTERS

- Sec. 401. Profitability plan.
- Sec. 402. Postal rates.
- Sec. 403. Cooperation with State and local governments; intra-Service agreements.
- Sec. 404. Shipping of wine and beer.
- Sec. 405. Annual report on United States mailing industry.
- Sec. 406. Use of negotiated service agreements.
- Sec. 407. Contract disputes.
- Sec. 408. Contracting provisions.

1 **SEC. 3. DEFINITIONS.**

2 In this Act, the following definitions shall apply:



1 than zero, a portion of the surplus postal contributions  
2 for the fiscal year shall be used by the United States Post-  
3 al Service for the cost of providing to employees of the  
4 United States Postal Service who voluntarily separate  
5 from service before October 1, 2014—

6 “(i) voluntary separation incentive payments  
7 (including payments to employees who retire under  
8 section 8336(d)(2) or 8414(b)(1)(B) before October  
9 1, 2014) that may not exceed the maximum amount  
10 provided under section 3523(b)(3)(B) for any em-  
11 ployee; and

12 “(ii) retirement service credits, as authorized  
13 under section 8332(p) or 8411(m).

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

17 “(i) repaying any obligation issued under sec-  
18 tion 2005 of title 39; or

19 “(ii) making required payments to—

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

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

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

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

3 **SEC. 102. ADDITIONAL SERVICE CREDIT.**

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

7           “(p)(1)(A) For an employee of the United States  
8 Postal Service who is covered under this subchapter and  
9 voluntarily separates from service before October 1, 2014,  
10 at the direction of the United States Postal Service, the  
11 Office shall add not more than 1 year (as specified by the  
12 United States Postal Service) to the total creditable serv-  
13 ice of the employee for purposes of determining entitle-  
14 ment to and computing the amount of an annuity under  
15 this subchapter (except for a disability annuity under sec-  
16 tion 8337).

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

21           “(2)(A) Subject to subparagraph (B), and notwith-  
22 standing any other provision of law, no deduction, deposit,  
23 or contribution shall be required for service credited under  
24 this subsection.

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

5           (b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—  
6 Section 8411 of title 5, United States Code, is amended  
7 by adding at the end the following:

8           “(m)(1)(A) For an employee of the United States  
9 Postal Service who is covered under this chapter and vol-  
10 untarily separates from service before October 1, 2014,  
11 at the direction of the United States Postal Service, the  
12 Office shall add not more than 2 years (as specified by  
13 the United States Postal Service) to the total creditable  
14 service of the employee for purposes of determining enti-  
15 tlement to and computing the amount of an annuity under  
16 this chapter (except for a disability annuity under sub-  
17 chapter V of that chapter).

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

22           “(2)(A) Subject to subparagraph (B), and notwith-  
23 standing any other provision of law, no deduction, deposit,  
24 or contribution shall be required for service credited under  
25 this subsection.

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

5 **SEC. 103. MEDICARE COVERAGE FOR POSTAL SERVICE**  
6 **MEDICARE ELIGIBLE ANNUITANTS.**

7 (a) FEDERAL EMPLOYEES HEALTH BENEFITS  
8 PLANS.—

9 (1) IN GENERAL.—Chapter 89 of title 5, United  
10 States Code, is amended by inserting after section  
11 8903b the following:

12 **“§ 8903c. Postal Service Medicare eligible annuitants**

13 “(a) DEFINITIONS.—In this section—

14 “(1) the term ‘contract year’ means a calendar  
15 year in which health benefits plans are administered  
16 under this chapter;

17 “(2) the term ‘Medicare part A’ means the  
18 Medicare program for hospital insurance benefits  
19 under part A of title XVIII of the Social Security  
20 Act (42 U.S.C. 1395c et seq.);

21 “(3) the term ‘Medicare part B’ means the  
22 Medicare program for supplementary medical insur-  
23 ance benefits under part B of title XVIII of the So-  
24 cial Security Act (42 U.S.C. 1395j et seq.); and

1           “(4) the term ‘Postal Service Medicare eligible  
2 annuitant’ means an individual who—

3           “(A) is an annuitant covered under this  
4 chapter whose Government contribution is paid  
5 by the Postal Service under section 8906(g)(2);  
6 and

7           “(B) is eligible to enroll in Medicare part  
8 A and Medicare part B.

9           “(b) REQUIREMENT OF MEDICARE ENROLLMENT.—

10           “(1) POSTAL SERVICE MEDICARE ELIGIBLE AN-  
11 NUITANTS.—

12           “(A) IMMEDIATE APPLICATION.—An indi-  
13 vidual who is a Postal Service Medicare eligible  
14 annuitant on the date of enactment of the 21st  
15 Century Postal Service Act of 2011 may not  
16 continue coverage under this chapter, unless  
17 that individual enrolls in Medicare part A and  
18 Medicare part B during the special enrollment  
19 period established under section 1837(m) of the  
20 Social Security Act.

21           “(B) PROSPECTIVE APPLICATION.—An in-  
22 dividual who becomes a Postal Service Medicare  
23 eligible annuitant after the date of enactment of  
24 the 21st Century Postal Service Act of 2011  
25 may not continue coverage under this chapter,

1 unless after becoming eligible for Medicare part  
2 A and Medicare part B that individual enrolls  
3 in Medicare part A and Medicare part B during  
4 the applicable initial enrollment period under  
5 section 1837 of the Social Security Act (42  
6 U.S.C. 1395p).

7 “(2) FAMILY MEMBERS OF POSTAL SERVICE  
8 MEDICARE ELIGIBLE ANNUITANTS.—

9 “(A) FAMILY MEMBER IS MEDICARE ELIGI-  
10 BLE.—An individual who, on the date of enact-  
11 ment of the 21st Century Postal Service Act of  
12 2011, is a Postal Service Medicare eligible an-  
13 nuitant, is enrolled in self and family coverage  
14 under this chapter, and has a member of the  
15 family who is eligible to enroll in Medicare part  
16 A and Medicare part B, may not continue cov-  
17 erage under this chapter, unless—

18 “(i) the family member enrolls in  
19 Medicare part A and Medicare part B dur-  
20 ing the special enrollment period estab-  
21 lished under section 1837(m) of the Social  
22 Security Act; or

23 “(ii) the individual enrolls for self only  
24 coverage under this chapter.

1           “(B) FAMILY MEMBER BECOMES MEDI-  
2           CARE ELIGIBLE.—An individual who, on the  
3           date of enactment of the 21st Century Postal  
4           Service Act of 2011, is a Postal Service Medi-  
5           care eligible annuitant, is enrolled in self and  
6           family coverage under this chapter, and has a  
7           member of the family who becomes eligible to  
8           enroll in Medicare part A and Medicare part B  
9           after that date, may not continue coverage  
10          under this chapter, unless—

11                   “(i) the family member enrolls in  
12                   Medicare part A and Medicare part B dur-  
13                   ing the applicable initial enrollment period  
14                   under section 1837 of the Social Security  
15                   Act (42 U.S.C. 1395p); or

16                   “(ii) the individual enrolls for self only  
17                   coverage under this chapter.

18          “(c) ENROLLMENT OPTIONS.—

19                   “(1) ESTABLISHMENT.—For contract years fol-  
20                   lowing the date of enactment of the 21st Century  
21                   Postal Service Act of 2011, the Office shall establish  
22                   enrollment options for health benefits plans that are  
23                   open only to Postal Service Medicare eligible annu-  
24                   itants or family members of a Postal Service Medi-

1 care eligible annuitants who continue coverage under  
2 this chapter in accordance with subsection (b).

3 “(2) ENROLLMENT REQUIREMENT.—Any Post-  
4 al Service Medicare eligible annuitant or family  
5 member of a Postal Service Medicare eligible annu-  
6 itant who continues coverage under this chapter in  
7 accordance with subsection (b) may only enroll in 1  
8 of the enrollment options established under para-  
9 graph (1).

10 “(3) VALUE OF COVERAGE.—The Office shall  
11 ensure that the aggregate actuarial value of coverage  
12 under the enrollment options established under this  
13 subsection, in combination with the value of coverage  
14 under Medicare part A and Medicare part B, shall  
15 be not less than the actuarial value of the most  
16 closely corresponding enrollment options available  
17 under section 8905.

18 “(4) ENROLLMENT OPTIONS.—

19 “(A) IN GENERAL.—The enrollment op-  
20 tions established under paragraph (1) shall in-  
21 clude—

22 “(i) an individual option, for Postal  
23 Service Medicare eligible annuitants sub-  
24 ject to subsection (b)(1);

1                   “(ii) a self and family option, for  
2                   Postal Service Medicare eligible annuitants  
3                   subject to subsection (b)(1) and family  
4                   members of Postal Service Medicare eligi-  
5                   ble annuitants subject to subsection (b)(2);  
6                   and

7                   “(iii) a self and family option, for  
8                   Postal Service Medicare eligible annuitants  
9                   subject to subsection (b)(1) and family  
10                  members of Postal Service Medicare eligi-  
11                  ble annuitants, including family members  
12                  not subject to subsection (b)(2).

13                  “(B) SPECIFIC SUB-OPTIONS.—The Office  
14                  may establish more specific enrollment options  
15                  within the types of options described under sub-  
16                  paragraph (A).

17                  “(5) REDUCED PREMIUMS TO ACCOUNT FOR  
18                  MEDICARE COORDINATION.—In determining the pre-  
19                  miums for the enrollment options under paragraph  
20                  (4), the Office shall—

21                  “(A) establish a separate claims pool for  
22                  individuals eligible for coverage under those op-  
23                  tions; and

24                  “(B) ensure that—

1           “(i) the premiums are reduced from  
2           the premiums otherwise established under  
3           this chapter to directly reflect the full cost  
4           savings to the health benefits plans due to  
5           the complete coordination of benefits with  
6           Medicare part A and Medicare part B for  
7           Postal Service Medicare eligible annuitants  
8           or family members of Postal Service Medi-  
9           care eligible annuitants who continue cov-  
10          erage under this chapter; and

11           “(ii) the cost savings described under  
12          clause (i) result solely in the reduction  
13          of—

14                   “(I) the premiums paid by the  
15                   Postal Service Medicare eligible annu-  
16                   itant; and

17                   “(II) the Government contribu-  
18                   tions paid by the Postal Service.

19          “(d) CONVERSION OF ENROLLMENT.—

20           “(1) IN GENERAL.—For any individual who en-  
21          rolls in Medicare part A and Medicare part B in ac-  
22          cordance with subsection (b) other than during the  
23          special enrollment period established under section  
24          1837(m) of the Social Security Act, coverage under  
25          this chapter shall be converted to coverage under the

1 applicable enrollment option established under sub-  
2 section (c) upon enrollment in Medicare part A and  
3 Medicare part B.

4 “(2) NOTIFICATION.—The Office shall provide  
5 reasonable advance notice to any Postal Service  
6 Medicare eligible annuitant or family member of any  
7 Postal Service Medicare eligible annuitant that such  
8 annuitant or family member will become subject to  
9 conversion of enrollment under paragraph (1).

10 “(e) POSTAL SERVICE CONSULTATION.—The Office  
11 shall establish the enrollment options and premiums under  
12 this section in consultation with the Postal Service.”.

13 (2) TECHNICAL AND CONFORMING AMEND-  
14 MENTS.—The table of sections for chapter 89 of title  
15 5, United States Code, is amended by inserting after  
16 the item relating to section 8903b the following:

“8903c. Postal Service Medicare eligible annuitants.”.

17 (3) EFFECTIVE DATE.—The amendments made  
18 by this subsection shall apply with respect to con-  
19 tract years beginning 6 months following the date of  
20 enactment of this Act.

21 (b) SPECIAL ENROLLMENT PERIOD FOR POSTAL  
22 SERVICE MEDICARE ELIGIBLE ANNUITANTS.—

23 (1) SPECIAL ENROLLMENT PERIOD.—

24 (A) IN GENERAL.—Section 1837 of the So-  
25 cial Security Act (42 U.S.C. 1395p) is amended

1           by adding at the end the following new sub-  
2           section:

3           “(m)(1) In the case of any individual who is a Postal  
4 Service Medicare eligible annuitant (as defined in section  
5 8903c(a) of title 5, United States Code) at the time the  
6 individual is entitled to part A under section 226(b) or  
7 section 226A and who is eligible to enroll but who has  
8 elected not to enroll (or to be deemed enrolled) during the  
9 individual’s initial enrollment period, there shall be a spe-  
10 cial enrollment period described in paragraph (2).

11           “(2) The special enrollment period described in this  
12 paragraph, with respect to an individual is the 6-month  
13 period, beginning on the first day of the month which in-  
14 cludes the date of enactment of the 21st Century Postal  
15 Service Act of 2011.

16           “(3) In the case of an individual who enrolls during  
17 the special enrollment period provided under paragraph  
18 (1), the coverage period under this part shall begin on the  
19 first day of the month in which the individual enrolls.”.

20                   (B) EFFECTIVE DATE.—The amendment  
21           made by subparagraph (A) shall apply to elec-  
22           tions made with respect to initial enrollment pe-  
23           riods that end after the date of enactment of  
24           the 21st Century Postal Service Act of 2011.



1 (II) in clause (iv), by striking the  
2 semicolon at the end and inserting a  
3 period; and

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

6 (ii) in subparagraph (B), by striking  
7 “2017” and inserting “2012”; and

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

9 “(e) Subsections (a) through (d) shall be subject to  
10 section 105 of the 21st Century Postal Service Act of  
11 2011.”.

12 **SEC. 105. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

13 (a) DEFINITIONS.—In this section—

14 (1) the term “covered employee” means an em-  
15 ployee of the Postal Service who is represented by a  
16 bargaining representative recognized under section  
17 1203 of title 39, United States Code;

18 (2) the term “Federal Employee Health Bene-  
19 fits Program” means the health benefits program  
20 under chapter 89 of title 5, United States Code; and

21 (3) the term “Postal Service Health Benefits  
22 Program” means the health benefits program that  
23 may be agreed to under subsection (b)(1).

24 (b) COLLECTIVE BARGAINING.—

1           (1) IN GENERAL.—Consistent with section  
2           1005(f) of title 39, United States Code, the Postal  
3           Service may negotiate jointly with all bargaining  
4           representatives recognized under section 1203 of  
5           title 39, United States Code, and enter into a joint  
6           collective bargaining agreement with those bar-  
7           gaining representatives to establish the Postal Serv-  
8           ice Health Benefits Program that satisfies the condi-  
9           tions under subsection (c). The Postal Service and  
10          the bargaining representatives shall negotiate in con-  
11          sultation with the Director of the Office of Per-  
12          sonnel Management.

13          (2) ARBITRATION LIMITATION.—Notwith-  
14          standing chapter 12 of title 39, United States Code,  
15          there shall not be arbitration of any dispute in the  
16          negotiations under this subsection.

17          (3) TIME LIMITATION.—The authority under  
18          this subsection shall extend until September 30,  
19          2012.

20          (c) POSTAL SERVICE HEALTH BENEFITS PRO-  
21          GRAM.—The Postal Service Health Benefits Program—

22                  (1) shall—

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

1 (B) provide adequate and appropriate  
2 health benefits;

3 (C) be administered by the Postmaster  
4 General; and

5 (D) provide for transition of coverage  
6 under the Federal Employee Health Benefits  
7 Program of covered employees to coverage  
8 under the Postal Service Health Benefits Pro-  
9 gram on January 1, 2013;

10 (2) may provide dental benefits; and

11 (3) may provide vision benefits.

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

14 (1) the Postal Service shall implement the Post-  
15 al Service Health Benefits Program;

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

21 (3) covered employees may not participate as  
22 employees in the Federal Employees Health Benefits  
23 Program.

24 (e) GOVERNMENT PLAN.—The Postal Service Health  
25 Benefits Program shall be a government plan as that term

1 is defined under section 3(32) of Employee Retirement In-  
2 come Security Act of 1974 (29 U.S.C. 1002(32)).

3 (f) REPORT.—Not later than June 30, 2013, the  
4 Postal Service shall submit a report to the Committee on  
5 Homeland Security and Governmental Affairs of the Sen-  
6 ate and the Committee on Oversight and Government Re-  
7 form of the House of Representatives that—

8 (1) reports on the implementation of this sec-  
9 tion; and

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

13 **SEC. 106. ARBITRATION; LABOR DISPUTES.**

14 Section 1207(c)(2) of title 39, United States Code,  
15 is amended—

16 (1) by inserting “(A)” after “(2)”;

17 (2) by striking the last sentence and inserting  
18 “The arbitration board shall render a decision not  
19 later than 45 days after the date of its appoint-  
20 ment.”; and

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

22 “(B) In rendering a decision under this paragraph,  
23 the arbitration board shall consider such relevant factors  
24 as—

1           “(i) the financial condition of the Postal Serv-  
2           ice;

3           “(ii) the requirements relating to pay and com-  
4           pensation comparability under section 1003(a); and

5           “(iii) the policies of this title.”.

6           **TITLE II—POSTAL SERVICES**  
7           **AND OPERATIONS**

8           **SEC. 201. POSTAL FACILITIES.**

9           Section 404 of title 39, United States Code, is  
10          amended by adding after subsection (e) the following:

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

13                 “(1) POSTAL FACILITY.—In this subsection, the  
14          term ‘postal facility’ does not include—

15                         “(A) any post office, station, or branch; or

16                         “(B) any facility used only for administra-  
17          tive functions.

18                 “(2) AREA MAIL PROCESSING STUDY.—

19                         “(A) NEW AREA MAIL PROCESSING STUD-  
20          IES.—After the date of enactment of this sub-  
21          section, before making a determination under  
22          subsection (a)(3) as to the necessity for the  
23          closing or consolidation of any postal facility,  
24          the Postal Service shall—

1           “(i) conduct an area mail processing  
2 study relating to that postal facility that  
3 includes a plan to reduce the capacity of  
4 the postal facility, but not close the postal  
5 facility;

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

8           “(iii) publish a notice that the study  
9 is complete and available to the public, in-  
10 cluding on the Postal Service website.

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

13           “(i) IN GENERAL.—In the case of a  
14 postal facility described in clause (ii), the  
15 Postal Service shall—

16           “(I) consider a plan to reduce the  
17 capacity of the postal facility, but not  
18 close the post facility; and

19           “(II) publish the results of the  
20 consideration under subclause (I) with  
21 or as an amendment to the area mail  
22 processing study relating to the postal  
23 facility.

24           “(ii) POSTAL FACILITIES.—A postal  
25 facility described in this clause is a postal

1 facility for which, on or before the date of  
2 enactment of this subsection—

3 “(I) an area mail processing  
4 study that does not include a plan to  
5 reduce the capacity of the postal facil-  
6 ity, but not close the facility, has been  
7 completed or is in progress; and

8 “(II) a determination as to the  
9 necessity for the closing or consolida-  
10 tion of the postal facility has not been  
11 made.

12 “(3) NOTICE; PUBLIC COMMENT; AND PUBLIC  
13 HEARING.—If the Postal Service makes a determina-  
14 tion under subsection (a)(3) to close or consolidate  
15 a postal facility, the Postal Service shall—

16 “(A) provide notice of the determination  
17 to—

18 “(i) Congress; and

19 “(ii) the Postal Regulatory Commis-  
20 sion;

21 “(B) provide adequate public notice of the  
22 intention of the Postal Service to close or con-  
23 solidate the postal facility;

24 “(C) ensure that interested persons have  
25 an opportunity to submit public comments dur-

1           ing a 45-day period after the notice of intention  
2           is provided under subparagraph (B);

3                   “(D) before that 45-day period provide for  
4           public notice of that opportunity by—

5                           “(i) publication on the Postal Service  
6           website;

7                           “(ii) posting at the affected postal fa-  
8           cility; and

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

12                   “(E) during the 45-day period described  
13          under subparagraph (C), conduct a public com-  
14          munity meeting that provides an opportunity  
15          for public comments to be submitted verbally or  
16          in writing.

17                   “(4) FURTHER CONSIDERATIONS.—Not earlier  
18          than 30 days after the end of the 45-day period for  
19          public comment under paragraph (3), the Postal  
20          Service, in making a determination whether or not  
21          to close or consolidate a postal facility, shall con-  
22          sider—

23                           “(A) the views presented by interested per-  
24          sons solicited under paragraph (3);

1           “(B) the effect of the closing or consolida-  
2           tion on the affected community, including any  
3           disproportionate impact the closure or consoli-  
4           dation may have on a State, region, or locality;

5           “(C) the effect of the closing or consolida-  
6           tion on the travel times and distances for af-  
7           fected customers to access services under the  
8           proposed closing or consolidation;

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

11          “(E) any characteristics of certain geo-  
12          graphical areas, such as remoteness, broadband  
13          internet availability, and weather-related obsta-  
14          cles to using alternative facilities, that may re-  
15          sult in the closing or consolidation having a  
16          unique effect; and

17          “(F) any other factor the Postal Service  
18          determines is necessary.

19          “(5) JUSTIFICATION STATEMENT.—Before the  
20          date on which the Postal Service closes or consoli-  
21          dates a postal facility, the Postal Service shall post  
22          on the Postal Service website a closure or consolida-  
23          tion justification statement that includes—

1           “(A) a response to all public comments re-  
2           ceived with respect to the considerations de-  
3           scribed under paragraph (4);

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

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

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

12           “(A) IN GENERAL.—Not earlier than the  
13           15 days after posting and publishing the final  
14           determination and the justification statement  
15           under paragraph (6) with respect to a postal fa-  
16           cility, the Postal Service may close or consoli-  
17           date the postal facility.

18           “(B) ALTERNATIVE INTAKE OF MAIL.—If  
19           the Postal Service closes or consolidates a post-  
20           al facility under subparagraph (A), the Postal  
21           Service shall make reasonable efforts to ensure  
22           continued mail receipt from customers of the  
23           closed or consolidated postal facility at the  
24           same location or at another appropriate location

1 in close geographic proximity to the closed or  
2 consolidated postal facility.

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

8 “(A) is updated routinely; and

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

12 **SEC. 202. ADDITIONAL POSTAL SERVICE PLANNING.**

13 Section 302(d) of the Postal Accountability and En-  
14 hancement Act of 2006 (39 U.S.C. 3691 note) is amend-  
15 ed—

16 (1) in paragraph (8), by striking the period at  
17 the end and inserting “; and”;

18 (2) by redesignating paragraphs (1) through  
19 (8) as subparagraphs (A) through (H), respectively,  
20 and adjusting the margins accordingly;

21 (3) in the matter preceding subparagraph (A),  
22 as so redesignated, by striking “shall include” and  
23 inserting the following: “shall—

24 “(1) include”; and

25 (4) by adding at the end the following:

1           “(2) where possible, provide for an improve-  
2           ment in customer access to postal services;

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

6           “(4) ensure that—

7                   “(A) small communities and rural areas  
8                   continue to receive regular and effective access  
9                   to retail postal services after implementation of  
10                  the plan; and

11                   “(B) the Postal Service solicits community  
12                   input in accordance with applicable provisions  
13                   of Federal law.”.

14   **SEC. 203. AREA AND DISTRICT OFFICE STRUCTURE.**

15           (a) **PLAN REQUIRED.**—Not later than 1 year after  
16           the date of enactment of this Act, the Postal Service shall  
17           submit to the Committee on Homeland Security and Gov-  
18           ernmental Affairs of the Senate and the Committee on  
19           Oversight and Governmental Reform of the House of Rep-  
20           resentatives—

21                   (1) a comprehensive strategic plan to govern  
22                   decisions relating to area and district office struc-  
23                   ture that considers efficiency, costs, redundancies,  
24                   mail volume, technological advancements, oper-  
25                   ational considerations, and other issues that may be

1 relevant to establishing an effective area and district  
2 office structure; and

3 (2) a 10-year plan, including a timetable, that  
4 provides for consolidation of area and district offices  
5 wherever the Postal Service determines a consolida-  
6 tion would—

7 (A) be cost-effective; and

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

10 (b) CONSOLIDATION.—Beginning not later than 1  
11 year after the date of enactment of this Act, the Postal  
12 Service shall, consistent with the plans required under  
13 subsection (a)—

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

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

19 (3) relocate area offices to headquarters.

20 (c) UPDATES.—The Postal Service shall update the  
21 plans required under subsection (a) not less frequently  
22 than once every 5 years.

23 **SEC. 204. RETAIL SERVICE STANDARDS.**

24 (a) ESTABLISHMENT OF SERVICE STANDARDS.—Not  
25 later than 1 year after the date of enactment of this Act,

1 the Postal Service shall exercise its authority under sec-  
2 tion 3691 of title 39, United States Code, to establish  
3 service standards for market-dominant products in order  
4 to guarantee customers of the Postal Service regular and  
5 effective access to retail postal services nationwide (includ-  
6 ing in territories and possessions of the United States)  
7 on a reasonable basis.

8 (b) CONTENTS.—The service standards established  
9 under subsection (a) shall—

10 (1) be consistent with—

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

14 (B) the contents of the plan developed  
15 under section 302 of the Postal Accountability  
16 and Enhancement Act of 2006 (39 U.S.C. 3691  
17 note), as amended by section 202 of this Act;  
18 and

19 (2) take into account factors including—

20 (A) geography, including the establishment  
21 of standards for the proximity of retail postal  
22 services to postal customers, including a consid-  
23 eration of the reasonable maximum time a post-  
24 al customer should expect to travel to access a  
25 postal retail location;

1 (B) population, including population den-  
2 sity, demographic factors such as the age and  
3 disability status of individuals in the area to be  
4 served by a location providing postal retail serv-  
5 ices, and other factors that may impact the  
6 ability of postal customers, including busi-  
7 nesses, to travel to a postal retail location;

8 (C) the feasibility of offering retail access  
9 to postal services in addition to post offices, as  
10 described in section 302(d) of the Postal Ac-  
11 countability and Enhancement Act of 2006 (39  
12 U.S.C. 3691 note); and

13 (D) the requirement that the Postal Serv-  
14 ice serve remote areas and communities with  
15 transportation challenges, including commu-  
16 nities in which the effects of inclement weather  
17 or other natural conditions might obstruct or  
18 otherwise impede access to retail postal serv-  
19 ices.

20 **SEC. 205. CONVERSION OF DOOR DELIVERY POINTS.**

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

1 **“§ 3692. Conversion of door delivery points**

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

4 “(1) CENTRALIZED DELIVERY POINT.—The  
5 term ‘centralized delivery point’ means a group or  
6 cluster of mail receptacles at 1 delivery point that is  
7 within reasonable proximity of the street address as-  
8 sociated with the delivery point.

9 “(2) CURBLINE DELIVERY POINT.—The term  
10 ‘curbline delivery point’ means a delivery point that  
11 is—

12 “(A) adjacent to the street address associ-  
13 ated with the delivery point; and

14 “(B) accessible by vehicle on a street that  
15 is not a private driveway.

16 “(3) DOOR DELIVERY POINT.—The term ‘door  
17 delivery point’ means a delivery point at a door of  
18 the structure at a street address.

19 “(4) SIDEWALK DELIVERY POINT.—The term  
20 ‘sidewalk delivery point’ means a delivery point on a  
21 sidewalk adjacent to the street address associated  
22 with the delivery point.

23 “(b) CONVERSION.—Except as provided in subsection  
24 (c), not later than September 30, 2015, in accordance with  
25 standards established by the Postal Service, the Postal

1 Service may, where feasible, convert door delivery points  
2 to—

3 “(1) curblinE delivery points;

4 “(2) sidewalk delivery points; or

5 “(3) centralized delivery points.

6 “(c) EXCEPTIONS.—

7 “(1) CONTINUED DOOR DELIVERY.—The Postal  
8 Service may allow for the continuation of door deliv-  
9 ery due to—

10 “(A) a physical hardship of a customer;

11 “(B) weather, in a geographic area where  
12 snow removal efforts could obstruct access to  
13 mailboxes near a road;

14 “(C) circumstances in an urban area that  
15 preclude efficient use of curbside delivery  
16 points;

17 “(D) other exceptional circumstances, as  
18 determined in accordance with regulations  
19 issued by the Postal Service; or

20 “(E) other circumstances in which the  
21 Postal Service determines that alternatives to  
22 door delivery would not be practical or cost ef-  
23 fective.

24 “(2) NEW DOOR DELIVERY POINTS.—The Post-  
25 al Service may provide door delivery to a new deliv-

1       ery point in a delivery area that received door deliv-  
2       ery on the day before the date of enactment of this  
3       section, if the delivery point is established before the  
4       delivery area is converted from door delivery under  
5       subsection (b).

6       “(d) SOLICITATION OF COMMENTS.—The Postal  
7       Service shall establish procedures to solicit, consider, and  
8       respond to input from individuals affected by a conversion  
9       under this section.

10       “(e) REVIEW.—Subchapter V of this chapter shall  
11       not apply with respect to any action taken by the Postal  
12       Service under this section.

13       “(f) REPORT.—Not later than 60 days after the end  
14       of each fiscal year through fiscal year 2015, the Postal  
15       Service shall submit to Congress and the Inspector Gen-  
16       eral of the Postal Service a report on the implementation  
17       of this section during the preceding fiscal year that—

18               “(1) includes the number of door delivery  
19       points—

20                       “(A) that existed at the end of the fiscal  
21       year preceding the preceding fiscal year;

22                       “(B) that existed at the end of the pre-  
23       ceding fiscal year;

24                       “(C) that, during the preceding fiscal year,  
25       converted to—

1 “(i) curblinē delivery points or side-  
2 walk delivery points;

3 “(ii) centralized delivery points; and

4 “(iii) any other type of delivery point;

5 and

6 “(D) for which door delivery was continued  
7 under subsection (c)(1);

8 “(2) estimates the cost savings from the conver-  
9 sions from door delivery that occurred during the  
10 preceding fiscal year;

11 “(3) describes the progress of the Postal Serv-  
12 ice toward achieving the requirements under sub-  
13 section (b); and

14 “(4) provides such additional information as the  
15 Postal Service considers appropriate.”.

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

“3692. Conversion of door delivery points.”.

19 **SEC. 206. LIMITATIONS ON CHANGES TO MAIL DELIVERY**  
20 **SCHEDULE.**

21 (a) LIMITATION ON CHANGE IN SCHEDULE.—Not-  
22 withstanding any other provision of law—

23 (1) the Postal Service may not establish a gen-  
24 eral, nationwide 5-day-per-week delivery schedule to  
25 street addresses under the authority of the Postal

1 Service under section 3691 of title 39, United States  
2 Code, earlier than the date that is 24 months after  
3 the date of enactment of this Act; and

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

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

14 (1) identify customers and communities for  
15 whom the change may have a disproportionate, neg-  
16 ative impact, including the customers identified as  
17 “particularly affected” in the Advisory Opinion on  
18 Elimination of Saturday Delivery issued by the Com-  
19 mission on March 24, 2011;

20 (2) develop, to the maximum extent possible,  
21 measures to ameliorate any disproportionate, nega-  
22 tive impact the change would have on customers and  
23 communities identified under paragraph (1), includ-  
24 ing, where appropriate, providing or expanding ac-

1       cess to mailboxes for periodical mailers on days on  
2       which the Postal Service does not provide delivery;

3           (3) implement measures to increase revenue  
4       and reduce costs, including the measures authorized  
5       under the amendments made by sections 101, 102,  
6       103, 104, 204, and 208 of this Act;

7           (4) evaluate whether any increase in revenue or  
8       reduction in costs resulting from the measures im-  
9       plemented under paragraph (3) are sufficient to  
10      allow the Postal Service, without implementing a  
11      change in delivery schedule under subsection (a),  
12      to—

13           (A) become profitable by fiscal year 2015;

14           and

15           (B) achieve long-term financial solvency;

16           and

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

23           (A) the Committee on Homeland Security  
24      and Governmental Affairs of the Senate and the

1           Committee on Oversight and Government Re-  
2           form of the House of Representatives;

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

5                   (C) the Commission.

6           (c) REVIEW.—

7                   (1) GOVERNMENT ACCOUNTABILITY OFFICE.—

8           Not later than 3 months after the date on which the  
9           Postal Service submits a report under subsection  
10          (b)(5), the Comptroller General shall submit to the  
11          Commission and to the Committee on Homeland Se-  
12          curity and Governmental Affairs of the Senate and  
13          the Committee on Oversight and Government Re-  
14          form of the House of Representatives a report that  
15          contains findings relating to each of the following:

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

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

1 the measures implemented under subsection  
2 (b)(3).

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

9 (D) Whether, based on an analysis of the  
10 measures implemented by the Postal Service to  
11 increase revenues and reduce costs, projections  
12 of increased revenue and cost savings, and the  
13 details of the profitability plan required under  
14 section 401, a change in delivery schedule is  
15 necessary to allow the Postal Service to—

16 (i) become profitable by fiscal year  
17 2015; and

18 (ii) achieve long-term financial sol-  
19 vency.

20 (2) POSTAL REGULATORY COMMISSION.—

21 (A) REQUEST.—Not later than 6 months  
22 before the proposed effective date of a change  
23 in delivery schedule under subsection (a), the  
24 Postal Service shall submit to the Commission

1 a request for an advisory opinion relating to the  
2 change.

3 (B) ADVISORY OPINION.—

4 (i) IN GENERAL.—The Commission  
5 shall—

6 (I) issue an advisory opinion with  
7 respect to a request under subpara-  
8 graph (A), in accordance with the  
9 time limits for the issuance of advi-  
10 sory opinions under section  
11 3661(b)(2) of title 39, United States  
12 Code, as amended by this Act; and

13 (II) submit the advisory opinion  
14 to the Committee on Homeland Secu-  
15 rity and Governmental Affairs of the  
16 Senate and the Committee on Over-  
17 sight and Government Reform of the  
18 House of Representatives.

19 (ii) REQUIRED DETERMINATIONS.—  
20 An advisory opinion under clause (i) shall  
21 determine—

22 (I) whether the measures devel-  
23 oped under subsection (b)(2) amelio-  
24 rate any disproportionate, negative  
25 impact that a change in schedule may

1 have on customers and communities  
2 identified under subsection (b)(1); and

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

6 (aa) whether the Postal  
7 Service has implemented meas-  
8 ures to reduce operating losses as  
9 required under subsection (b)(3);

10 (bb) whether the implemen-  
11 tation of the measures described  
12 in item (aa) has increased reve-  
13 nues or reduced costs, or is pro-  
14 jected to further increase reve-  
15 nues or reduce costs in the fu-  
16 ture; and

17 (cc) whether a change in  
18 schedule under subsection (a)(2)  
19 is necessary to allow the Postal  
20 Service to—

21 (AA) become profitable  
22 by fiscal year 2015; and

23 (BB) achieve long-term  
24 financial solvency.

1           (3) PROHIBITION ON IMPLEMENTATION OF  
2 CHANGE IN SCHEDULE.—The Postal Service may  
3 not implement a change in delivery schedule under  
4 subsection (a)(2)—

5           (A) before the date on which the Comp-  
6 troller General submits the report required  
7 under paragraph (1); and

8           (B) unless the Commission determines  
9 under paragraph (2)(B)(ii)(II)(cc) that the  
10 Comptroller General has concluded that the  
11 change is necessary to allow the Postal Service  
12 to become profitable by fiscal year 2015 and to  
13 achieve long-term financial solvency, without re-  
14 gard to whether the Commission determines  
15 that the change is advisable.

16 (d) ADDITIONAL LIMITATIONS.—

17           (1) RULES OF CONSTRUCTION.—Nothing in  
18 this subsection shall be construed to—

19           (A) authorize the reduction, or require an  
20 increase, in delivery frequency for any route for  
21 which the Postal Service provided delivery on  
22 fewer than 6 days per week on the date of en-  
23 actment of this Act;

24           (B) authorize any change in—

1 (i) the days and times that postal re-  
2 tail service or any mail acceptance is avail-  
3 able; or

4 (ii) the locations at which postal retail  
5 service or mail acceptance occurs;

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

8 (D) prohibit the collection or delivery of a  
9 competitive mail product on a weekend or a rec-  
10 ognized Federal holiday; or

11 (E) prohibit the Postal Service from exer-  
12 cising its authority to make changes to proc-  
13 essing or retail networks.

14 (2) PROHIBITION ON CONSECUTIVE DAYS WITH-  
15 OUT MAIL DELIVERY.—The Postal Service shall en-  
16 sure that, under any change in schedule under sub-  
17 section (a)(2), at no time shall there be more than  
18 2 consecutive days without mail delivery to street  
19 addresses, including recognized Federal holidays.

20 **SEC. 207. TIME LIMITS FOR CONSIDERATION OF SERVICE**  
21 **CHANGES.**

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

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

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

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

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

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

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

21           “(ii) a date that the Postal Regu-  
22 latory Commission and the Postal Service  
23 may, not later than 1 week after the date  
24 on which the Postal Regulatory Commis-

1                   sion receives the proposal, determine joint-  
2                   ly.

3                   “(3) RESPONSE TO OPINION.—The Postal Serv-  
4                   ice shall submit to the President and to Congress a  
5                   response to the advisory opinion issued under para-  
6                   graph (2), including any recommendations contained  
7                   therein.

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

11                  “(A) on or after the date that is 30 days  
12                  after the date on which the Postal Service sub-  
13                  mits the response required under paragraph  
14                  (3);

15                  “(B) on or after a date that the Postal  
16                  Regulatory Commission and the Postal Service  
17                  may, not later than 1 week after the date on  
18                  which the Postal Regulatory Commission re-  
19                  ceives a proposal under paragraph (2), deter-  
20                  mine jointly; or

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

23                  “(i) the Postal Regulatory Commis-  
24                  sion fails to issue an advisory opinion on

1 or before the date described in paragraph  
2 (2)(B); and

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

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

9 **SEC. 208. PUBLIC PROCEDURES FOR SIGNIFICANT**  
10 **CHANGES TO MAILING SPECIFICATIONS.**

11 (a) NOTICE AND OPPORTUNITY FOR COMMENT RE-  
12 QUIRED.—Effective on the date on which the Postal Serv-  
13 ice issues a final rule under subsection (c), before making  
14 a change to mailing specifications that could pose a sig-  
15 nificant burden to the customers of the Postal Service and  
16 that is not reviewed by the Commission, the Postal Service  
17 shall—

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

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

23 (3) after considering any comments submitted  
24 under paragraph (2) and making any modifications

1 to the proposed change that the Postal Service de-  
2 termines are necessary, publish—

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

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

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

9 (i) the Postal Service; and

10 (ii) the customers of the Postal Serv-  
11 ice that would be affected by the proposed  
12 change; and

13 (4) establish an effective date for the change to  
14 mailing specifications that is not earlier than 30  
15 days after the date on which the Postal Service pub-  
16 lishes the final change under paragraph (3).

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

23 (1) change the mailing specifications by—

24 (A) issuing an interim final rule that—

1 (i) includes a finding by the Postal  
2 Service that there is good cause for the in-  
3 terim final rule;

4 (ii) provides an opportunity for the  
5 submission of written comments on the in-  
6 terim final rule for a period of not less  
7 than 30 days; and

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

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

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

17 (c) RULES RELATING TO NOTICE AND COMMENT.—

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

23 (2) RULES.—In issuing the rules required  
24 under paragraph (1), the Postal Service shall—

1 (A) publish a notice of proposed rule-  
2 making in the Federal Register that includes  
3 proposed definitions of the terms “mailing spec-  
4 ifications” and “significant burden”;

5 (B) provide an opportunity for the submis-  
6 sion of written comments concerning the pro-  
7 posed change for a period of not less than 30  
8 days; and

9 (C) publish—

10 (i) the rule in final form in the Fed-  
11 eral Register; and

12 (ii) responses to the comments sub-  
13 mitted under subparagraph (B).

14 **SEC. 209. NONPOSTAL PRODUCTS AND SERVICES.**

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

17 (1) in subsection (a)—

18 (A) by redesignating paragraphs (6)  
19 through (8) as paragraphs (7) through (9), re-  
20 spectively; and

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

23 “(6) after the date of enactment of the 21st  
24 Century Postal Service Act of 2011, and except as  
25 provided in subsection (e), to provide other services

1 that are not postal services, after the Postal Regu-  
2 latory Commission—

3 “(A) makes a determination that the provi-  
4 sion of such services—

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

8 “(ii) is consistent with the public in-  
9 terest and a demonstrated or potential  
10 public demand for—

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

14 “(II) the Postal Service to pro-  
15 vide the services in addition to an-  
16 other entity providing the services;

17 “(iii) would not create unfair competi-  
18 tion with the private sector; and

19 “(iv) has the potential to improve the  
20 net financial position of the Postal Service,  
21 based on a market analysis provided to the  
22 Postal Regulatory Commission by the  
23 Postal Service; and

24 “(B) for services that the Postal Regu-  
25 latory Commission determines meet the criteria

1 under subparagraph (A), classifies each such  
2 service as a market-dominant product, competi-  
3 tive product, experimental product, or new  
4 product, as required under chapter 36 of title  
5 39, United States Code;” and

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

9 (b) MARKET ANALYSIS.—During the 5-year period  
10 beginning on the date of enactment of this Act, the Postal  
11 Service shall submit a copy of any market analysis pro-  
12 vided to the Commission under section 404(a)(6)(A)(iv)  
13 of title 39, United States Code, as amended by this sec-  
14 tion, to the Committee on Homeland Security and Govern-  
15 mental Affairs of the Senate and the Committee on Over-  
16 sight and Government Reform of the House of Represent-  
17 atives.

## 18 **TITLE III—FEDERAL EMPLOY-** 19 **EES’ COMPENSATION ACT**

### 20 **SEC. 301. SHORT TITLE; REFERENCES.**

21 (a) SHORT TITLE.—This title may be cited as the  
22 “Workers’ Compensation Reform Act of 2011”.

23 (b) REFERENCES.—Except as otherwise expressly  
24 provided, whenever in this title an amendment or repeal  
25 is expressed in terms of an amendment to, or a repeal

1 of, a section or other provision, the reference shall be con-  
2 sidered to be made to a section or other provision of title  
3 5, United States Code.

4 **SEC. 302. FEDERAL WORKERS COMPENSATION REFORMS**  
5 **FOR RETIREMENT-AGE EMPLOYEES.**

6 (a) CONVERSION OF ENTITLEMENT AT RETIREMENT  
7 AGE.—

8 (1) DEFINITIONS.—Section 8101 is amended

9 (A) in paragraph (18), by striking “and”  
10 at the end;

11 (B) in paragraph (19), by striking “and”  
12 at the end;

13 (C) in paragraph (20), by striking the pe-  
14 riod at the end and inserting a semicolon; and

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

16 “(21) ‘retirement age’ has the meaning given  
17 that term under section 216(l)(1) of the Social Secu-  
18 rity Act (42 U.S.C. 416(l)(1));

19 “(22) ‘covered claim for total disability’ means  
20 a claim for a period of total disability that com-  
21 menced before the date of enactment of the Work-  
22 ers’ Compensation Reform Act of 2011;

23 “(23) ‘covered claim for partial disability’  
24 means a claim for a period of partial disability that

1 commenced before the date of enactment of the  
2 Workers' Compensation Reform Act of 2011; and

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

5 “(A) who—

6 “(i) is eligible to receive continuous  
7 periodic compensation for total disability  
8 under section 8105 on the date of enact-  
9 ment of the Workers' Compensation Re-  
10 form Act of 2011; and

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

12 “(B) who, on the date of enactment of the  
13 Workers' Compensation Reform Act of 2011—

14 “(i) is eligible to receive continuous  
15 periodic compensation for total disability  
16 under section 8105; and

17 “(ii) has sustained a currently irre-  
18 versible severe mental or physical disability  
19 for which the Secretary of Labor has au-  
20 thorized, for at least the 1 year period end-  
21 ing on the date of enactment of the Work-  
22 ers' Compensation Reform Act of 2011,  
23 constant in-home care or custodial care,  
24 such as in placement in a nursing home; or

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

4                   “(i) for not less than the 3-year pe-  
5 riod ending on the date of enactment of  
6 the Workers’ Compensation Reform Act of  
7 2011; or

8                   “(ii) if the individual became eligible  
9 to receive continuous periodic compensa-  
10 tion for total disability under section 8105  
11 during the period beginning on the date  
12 that is 3 years before the date of enact-  
13 ment of the Workers’ Compensation Re-  
14 form Act of 2011 and ending on such date  
15 of enactment, for not less than the 3-year  
16 period beginning on the date on which the  
17 individual became eligible.”.

18           (2) TOTAL DISABILITY.—Section 8105 is  
19 amended—

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

23                   (B) by redesignating subsection (b) as sub-  
24 section (c); and

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

3 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-  
4 MENT AGE.—

5 “(1) IN GENERAL.—Except as provided in para-  
6 graph (2), the basic compensation for total disability  
7 for an employee who has attained retirement age  
8 shall be 50 percent of the monthly pay of the em-  
9 ployee.

10 “(2) EXCEPTIONS.—

11 “(A) COVERED RECIPIENTS WHO ARE RE-  
12 TIREMENT AGE OR HAVE AN EXEMPT DIS-  
13 ABILITY CONDITION.—Paragraph (1) shall not  
14 apply to a covered claim for total disability by  
15 an employee if the employee—

16 “(i) on the date of enactment of the  
17 Workers’ Compensation Reform Act of  
18 2011, has attained retirement age; or

19 “(ii) is an individual who has an ex-  
20 empt disability condition.

21 “(B) TRANSITION PERIOD FOR CERTAIN  
22 EMPLOYEES.—For a covered claim for total dis-  
23 ability by an employee who is not an employee  
24 described in subparagraph (A), the employee  
25 shall receive the basic compensation for total

1 disability provided under subsection (a) until  
2 the later of—

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

5 “(ii) the date that is 3 years after the  
6 date of enactment of the Workers’ Com-  
7 pensation Reform Act of 2011.”.

8 (3) PARTIAL DISABILITY.—Section 8106 is  
9 amended—

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

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

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

17 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-  
18 MENT AGE.—

19 “(1) IN GENERAL.—Except as provided in para-  
20 graph (2), the basic compensation for partial dis-  
21 ability for an employee who has attained retirement  
22 age shall be 50 percent of the difference between the  
23 monthly pay of the employee and the monthly wage-  
24 earning capacity of the employee after the beginning  
25 of the partial disability.

1 “(2) EXCEPTIONS.—

2 “(A) COVERED RECIPIENTS WHO ARE RE-  
3 TIREMENT AGE.—Paragraph (1) shall not apply  
4 to a covered claim for partial disability by an  
5 employee if, on the date of enactment of the  
6 Workers’ Compensation Reform Act of 2011,  
7 the employee has attained retirement age.

8 “(B) TRANSITION PERIOD FOR CERTAIN  
9 EMPLOYEES.—For a covered claim for partial  
10 disability by an employee who is not an em-  
11 ployee described in subparagraph (A), the em-  
12 ployee shall receive basic compensation for par-  
13 tial disability in accordance with subsection (a)  
14 until the later of—

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

17 “(ii) the date that is 3 years after the  
18 date of enactment of the Workers’ Com-  
19 pensation Reform Act of 2011.”.

20 **SEC. 303. AUGMENTED COMPENSATION FOR DEPENDENTS.**

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

22 (1) by redesignating subsection (b) as sub-  
23 section (c); and

24 (2) by inserting after subsection (a) the fol-  
25 lowing:

1           “(b) TERMINATION OF AUGMENTED COMPENSA-  
2 TION.—

3           “(1) IN GENERAL.—Subject to paragraph (2),  
4 augmented compensation for dependants under sub-  
5 section (c) shall not be provided.

6           “(2) EXCEPTIONS.—

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

9           “(i) the employee shall receive aug-  
10 mented compensation under subsection (c)  
11 if the employee is an individual who has an  
12 exempt disability condition; and

13           “(ii) the employee shall receive aug-  
14 mented compensation under subsection (c)  
15 until the date that is 3 years after the date  
16 of enactment of the Workers’ Compensa-  
17 tion Reform Act of 2011 if the employee is  
18 not an employee described in clause (i).

19           “(B) PARTIAL DISABILITY.—For a covered  
20 claim for partial disability by an employee, the  
21 employee shall receive augmented compensation  
22 under subsection (c) until the date that is 3  
23 years after the date of enactment of the Work-  
24 ers’ Compensation Reform Act of 2011.

1           “(C) PERMANENT DISABILITY COM-  
2 PENSATED BY A SCHEDULE.—For a claim for a  
3 permanent disability described in section  
4 8107(a) by an employee that commenced before  
5 the date of enactment of the Workers’ Com-  
6 pensation Reform Act of 2011, the employee  
7 shall receive augmented compensation under  
8 subsection (c).”.

9           (b) MAXIMUM AND MINIMUM MONTHLY PAY-  
10 MENTS.—Section 8112 is amended—

11           (1) in subsection (a)—

12                 (A) by inserting “subsections (b) and (c)  
13 and” before “section 8138”;

14                 (B) by striking “including augmented com-  
15 pensation under section 8110 of this title but”;  
16 and

17                 (C) by striking “75 percent” each place it  
18 appears and inserting “66  $\frac{2}{3}$  percent”;

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

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

23           “(b) EXCEPTIONS.—

24                 “(1) COVERED DISABILITY CONDITION.—For a  
25 covered claim for total disability by an employee, if

1 the employee is an individual who has an exempt  
2 disability condition—

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

8 “(B) subsection (a) shall be applied by  
9 substituting ‘75 percent’ for ‘66  $\frac{2}{3}$  percent’  
10 each place it appears.

11 “(2) PARTIAL DISABILITY.—For a covered  
12 claim for partial disability by an employee, until the  
13 date that is 3 years after the date of enactment of  
14 the Workers’ Compensation Reform Act of 2011—

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

20 “(B) subsection (a) shall be applied by  
21 substituting ‘75 percent’ for ‘66  $\frac{2}{3}$  percent’  
22 each place it appears.”; and

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

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

3 (1) in subsections (a) and (e), by striking “75  
4 percent” each place it appears and inserting “66  $\frac{2}{3}$   
5 percent (except as provided in subsection (g))”; and

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

7 “(g) If the death occurred before the date of enact-  
8 ment of the Workers’ Compensation Reform Act of 2011,  
9 subsections (a) and (e) shall be applied by substituting  
10 ‘75 percent’ for ‘66  $\frac{2}{3}$  percent’ each place it appears.”.

11 (d) DEATH BENEFITS FOR CIVIL AIR PATROL VOL-  
12 UNTEERS.—Section 8141 is amended—

13 (1) in subsection (b)(2)(B) by striking “75 per-  
14 cent” and inserting “66  $\frac{2}{3}$  percent (except as pro-  
15 vided in subsection (c))”;

16 (2) by redesignating subsection (c) as sub-  
17 section (d); and

18 (3) by inserting after subsection (b) the fol-  
19 lowing:

20 “(c) If the death occurred before the date of enact-  
21 ment of the Workers’ Compensation Reform Act of 2011,  
22 subsection (b)(2)(B) shall be applied by substituting ‘75  
23 percent’ for ‘66  $\frac{2}{3}$  percent’.”.

24 **SEC. 304. SCHEDULE COMPENSATION PAYMENTS.**

25 Section 8107 is amended—

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

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

5           “(d) RATE FOR COMPENSATION.—

6           “(1) ANNUAL SALARY.—

7           “(A) IN GENERAL.—Except as provided in  
8 paragraph (2), the rate under subsection (a)  
9 shall be the rate of 66 2/3 percent of the annual  
10 salary level established under subparagraph  
11 (B), in a lump sum equal to the present value  
12 (as calculated under subparagraph (C)) of the  
13 amount of compensation payable under the  
14 schedule.

15           “(B) ESTABLISHMENT.—

16           “(i) IN GENERAL.—The Secretary of  
17 Labor shall establish an annual salary for  
18 purposes of subparagraph (A) in the  
19 amount the Secretary determines will re-  
20 sult in the aggregate cost of payments  
21 made under this section being equal to  
22 what would have been the aggregate cost  
23 of payments under this section if the  
24 amendments made by section 304(a) of the

1 Workers' Compensation Reform Act of  
2 2011 had not been enacted.

3 “(ii) COST OF LIVING ADJUSTMENT.—

4 The annual salary established under clause  
5 (i) shall be increased on March 1 of each  
6 year by the amount determined by the Sec-  
7 retary of Labor to represent the percent  
8 change in the price index published for De-  
9 cember of the preceding year over the price  
10 index published for the December of the  
11 year prior to the preceding year, adjusted  
12 to the nearest one-tenth of 1 percent.

13 “(C) PRESENT VALUE.—The Secretary of  
14 Labor shall calculate the present value for pur-  
15 poses of subparagraph (A) using a rate of inter-  
16 est equal to the average market yield for out-  
17 standing marketable obligations of the United  
18 States with a maturity of 2 years on the first  
19 business day of the month in which the com-  
20 pensation is paid or, in the event that such  
21 marketable obligations are not being issued on  
22 such date, at an equivalent rate selected by the  
23 Secretary of Labor, true discount compounded  
24 annually.

1           “(2) CERTAIN INJURIES.—For an injury that  
2           occurred before the date of enactment of the Work-  
3           ers’ Compensation Reform Act of 2011, the rate  
4           under subsection (a) shall be 66  $\frac{2}{3}$  percent of the  
5           employee’s monthly pay.

6           “(e) SIMULTANEOUS RECEIPT.—

7           “(1) TOTAL DISABILITY.—An employee who re-  
8           ceives compensation for total disability under section  
9           8105 may only receive the lump sum of schedule  
10          compensation under this section in addition to and  
11          simultaneously with the benefits for total disability  
12          after the later of—

13                 “(A) the date on which the basic com-  
14                 pensation for total disability of the employee be-  
15                 comes 50 percent of the monthly pay of the em-  
16                 ployee under section 8105(b); or

17                 “(B) the date on which augmented com-  
18                 pensation of the employee terminates under sec-  
19                 tion 8110(b)(2)(A)(ii), if the employee receives  
20                 such compensation.

21          “(2) PARTIAL DISABILITY.—An employee who  
22          receives benefits for partial disability under section  
23          8106 may only receive the lump sum of schedule  
24          compensation under this section in addition to and

1 simultaneously with the benefits for partial disability  
2 after the later of—

3 “(A) the date on which the basic com-  
4 pensation for partial disability of the employee  
5 becomes 50 percent of the difference between  
6 the monthly pay of the employee and the  
7 monthly wage-earning capacity of the employee  
8 after the beginning of the partial disability  
9 under section 8106(b); or

10 “(B) the date on which augmented com-  
11 pensation of the employee terminates under sec-  
12 tion 8110(b)(2)(B), if the employee receives  
13 such compensation.”.

14 **SEC. 305. VOCATIONAL REHABILITATION.**

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

16 (1) in subsection (a)—

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

21 “(a) IN GENERAL.—

22 “(1) DIRECTION.—Except as provided in para-  
23 graph (2), not earlier than the date that is 6 months  
24 after the date on which an individual eligible for  
25 wage-loss compensation under section 8105 or 8106

1 is injured, or by such other date as the Secretary of  
2 Labor determines it would be reasonable under the  
3 circumstances for the individual to begin vocational  
4 rehabilitation, and if vocational rehabilitation may  
5 enable the individual to become capable of more  
6 gainful employment, the Secretary of Labor shall di-  
7 rect the individual to participate in developing a  
8 comprehensive return to work plan and to undergo  
9 vocational rehabilitation at a location a reasonable  
10 distance from the residence of the individual.”;

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

17 (C) by striking “under section 32(b)(1) of  
18 title 29” and inserting “under section 5 of the  
19 Rehabilitation Act of 1973 (29 U.S.C. 704)”;  
20 and

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

22 “(2) EXCEPTION.—The Secretary of Labor may  
23 not direct an individual who has attained retirement  
24 age to participate in developing a comprehensive re-

1 turn to work plan or to undergo vocational rehabili-  
2 tation.”;

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

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

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

9 “(1) shall—

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

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

17 “(C) provide that any employment under-  
18 taken by the individual under the return to  
19 work plan be at a location a reasonable distance  
20 from the residence of the individual;

21 “(2) may provide that the Secretary will pay  
22 out of amounts in the Employees’ Compensation  
23 Fund reasonable expenses of vocational rehabilita-  
24 tion (which may include tuition, books, training fees,

1 supplies, equipment, and child or dependent care)  
2 during the course of the plan; and

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

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

8 (A) by inserting “COMPENSATION.—” be-  
9 fore “Notwithstanding”; and

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

13 (5) by adding at the end the following:

14 “(d) ASSISTED REEMPLOYMENT AGREEMENTS.—

15 “(1) IN GENERAL.—The Secretary may enter  
16 into an assisted reemployment agreement with an  
17 agency or instrumentality of any branch of the Fed-  
18 eral Government or a State or local government or  
19 a private employer that employs an individual eligi-  
20 ble for wage-loss compensation under section 8105  
21 or 8106 to enable the individual to return to produc-  
22 tive employment.

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

1           “(A) may provide that the Secretary will  
2           use amounts in the Employees’ Compensation  
3           Fund to reimburse an employer in an amount  
4           equal to not more than 100 percent of the com-  
5           pensation the individual would otherwise receive  
6           under section 8105 or 8106; and

7           “(B) may not be for a period of more than  
8           3 years.

9           “(e) LIST.—To facilitate the hiring of individuals eli-  
10          gible for wage-loss compensation under section 8105 or  
11          8106, the Secretary shall provide a list of such individuals  
12          to the Office of Personnel Management, which the Office  
13          of Personnel Management shall provide to all agencies and  
14          instrumentalities of the Federal Government.”.

15          (b) TERMINATION OF VOCATIONAL REHABILITATION  
16          REQUIREMENT AFTER RETIREMENT AGE.—Section  
17          8113(b) is amended by adding at the end the following:  
18          “An individual who has attained retirement age may not  
19          be required to undergo vocational rehabilitation.”.

20          (c) MANDATORY BENEFIT REDUCTION FOR NON-  
21          COMPLIANCE.—Section 8113(b) is amended by striking  
22          “may reduce” and inserting “shall reduce”.

23          (d) TECHNICAL AND CONFORMING AMENDMENTS.—

1           (1) IN GENERAL.—Subchapter III of chapter  
2           15 of title 31, United States Code, is amended by  
3           adding at the end the following:

4   **“§ 1538. Authorization for assisted reemployment**

5           “Funds may be transferred from the Employees’  
6           Compensation Fund established under section 8147 of  
7           title 5 to the applicable appropriations account for an  
8           agency or instrumentality of any branch of the Federal  
9           Government for the purposes of reimbursing the agency  
10          or instrumentality in accordance with an assisted reem-  
11          ployment agreement entered into under section 8104 of  
12          title 5.”.

13           (2) TABLE OF SECTIONS.—The table of sections  
14          for chapter 15 of title 31, United States Code, is  
15          amended by inserting after the item relating to sec-  
16          tion 1537 the following:

          “1538. Authorization for assisted reemployment.”.

17   **SEC. 306. REPORTING REQUIREMENTS.**

18          (a) IN GENERAL.—Chapter 81 is amended by insert-  
19          ing after section 8106 the following:

20   **“§ 8106a. Reporting requirements**

21          “(a) DEFINITION.—In this section, the term ‘em-  
22          ployee receiving compensation’ means an employee who—

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

25                  “(2) has not attained retirement age.

1       “(b) **AUTHORITY.**—The Secretary of Labor shall re-  
2       quire an employee receiving compensation to report the  
3       earnings of the employee receiving compensation from em-  
4       ployment or self-employment, by affidavit or otherwise, in  
5       the manner and at the times the Secretary specifies.

6       “(c) **CONTENTS.**—An employee receiving compensa-  
7       tion shall include in a report required under subsection  
8       (a) the value of housing, board, lodging, and other advan-  
9       tages which are part of the earnings of the employee re-  
10      ceiving compensation in employment or self-employment  
11      and the value of which can be estimated.

12      “(d) **FAILURE TO REPORT AND FALSE REPORTS.**—

13           “(1) **IN GENERAL.**—An employee receiving com-  
14      pensation who fails to make an affidavit or other re-  
15      port required under subsection (b) or who knowingly  
16      omits or understates any part of the earnings of the  
17      employee in such an affidavit or other report shall  
18      forfeit the right to compensation with respect to any  
19      period for which the report was required.

20           “(2) **FORFEITED COMPENSATION.**—Compensa-  
21      tion forfeited under this subsection, if already paid  
22      to the employee receiving compensation, shall be re-  
23      covered by a deduction from the compensation pay-  
24      able to the employee or otherwise recovered under

1 section 8129, unless recovery is waived under that  
2 section.”.

3 (b) **TECHNICAL AND CONFORMING AMENDMENTS.**—

4 The table of sections for chapter 81 is amended by insert-  
5 ing after the item relating to section 8106 the following:  
“8106a. Reporting requirements.”.

6 **SEC. 307. DISABILITY MANAGEMENT REVIEW; INDE-**  
7 **PENDENT MEDICAL EXAMINATIONS.**

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

10 “(e) **DISABILITY MANAGEMENT REVIEW.**—

11 “(1) **DEFINITIONS.**—In this subsection—

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

16 “(B) the term ‘disability management re-  
17 view process’ means the disability management  
18 review process established under paragraph  
19 (2)(A).

20 “(2) **ESTABLISHMENT.**—The Secretary of  
21 Labor shall—

22 “(A) establish a disability management re-  
23 view process for the purpose of certifying and  
24 monitoring the disability status and extent of  
25 injury of each covered employee; and

1           “(B) promulgate regulations for the ad-  
2           ministration of the disability management re-  
3           view process.

4           “(3) PHYSICAL EXAMINATIONS REQUIRED.—  
5           Under the disability management review process, the  
6           Secretary of Labor shall periodically require covered  
7           employees to submit to physical examinations under  
8           subsection (a) by physicians selected by the Sec-  
9           retary. A physician conducting a physical examina-  
10          tion of a covered employee shall submit to the Sec-  
11          retary a report regarding the nature and extent of  
12          the injury to and disability of the covered employee.

13          “(4) FREQUENCY.—

14                 “(A) IN GENERAL.—The regulations pro-  
15                 mulgated under paragraph (2)(B) shall specify  
16                 the process and criteria for determining when  
17                 and how frequently a physical examination  
18                 should be conducted for a covered employee.

19                 “(B) MINIMUM FREQUENCY.—

20                         “(i) INITIAL.—An initial physical ex-  
21                         amination shall be conducted not more  
22                         than a brief period after the date on which  
23                         a covered employee has been in continuous  
24                         receipt of compensation for total disability  
25                         under section 8015 for 6 months.

1                   “(ii) SUBSEQUENT EXAMINATIONS.—  
2                   After the initial physical examination,  
3                   physical examinations of a covered em-  
4                   ployee shall be conducted not less than  
5                   once every 3 years.

6                   “(5) EMPLOYING AGENCY OR INSTRUMEN-  
7                   TALITY REQUESTS.—

8                   “(A) IN GENERAL.—The agency or instru-  
9                   mentality employing an employee who has made  
10                  a claim for compensation for total disability  
11                  under section 8105 may at any time submit a  
12                  request for the Secretary of Labor to promptly  
13                  require the employee to submit to a physical ex-  
14                  amination under this subsection.

15                  “(B) REQUESTING OFFICER.—A request  
16                  under subparagraph (A) shall be made on be-  
17                  half of an agency or instrumentality by—

18                         “(i) the head of the agency or instru-  
19                         mentality;

20                         “(ii) the Chief Human Capital Officer  
21                         of the agency or instrumentality; or

22                         “(iii) if the agency or instrumentality  
23                         does not have a Chief Human Capital Offi-  
24                         cer, an officer with responsibilities similar  
25                         to those of a Chief Human Capital Officer

1 designated by the head of the agency or in-  
2 strumentality to make requests under this  
3 paragraph.

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

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

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

17 “(iii) copies of the materials relating  
18 to the employee that are relevant to the of-  
19 ficer’s determination and request, unless  
20 the agency or instrumentality has a rea-  
21 sonable basis for not providing the mate-  
22 rials.

23 “(D) EXAMINATION.—If the Secretary of  
24 Labor receives a request under this paragraph  
25 before an employee has undergone an initial

1 physical examination under paragraph  
2 (4)(B)(i), the Secretary shall promptly require  
3 the physical examination of the employee. A  
4 physical examination under this subparagraph  
5 shall satisfy the requirement under paragraph  
6 (4)(B)(i) that an initial physical examination be  
7 conducted.

8 “(E) AFTER INITIAL EXAMINATION.—

9 “(i) IN GENERAL.—If the Secretary of  
10 Labor receives a request under this para-  
11 graph after an employee has undergone an  
12 initial physical examination under para-  
13 graph (4)(B)(i), the Secretary shall—

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

18 “(II) determine whether to re-  
19 quire the physical examination of the  
20 employee who is the subject of the re-  
21 quest.

22 “(ii) NOT GRANTED.—If the Secretary  
23 determines not to grant a request de-  
24 scribed in clause (i), the Secretary shall  
25 promptly notify the officer who made the

1 request and provide an explanation of the  
2 reasons why the request was denied.”.

3 **SEC. 308. WAITING PERIOD.**

4 (a) IN GENERAL.—Section 8117 is amended—

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

8 (2) in subsection (a)—

9 (A) in the matter preceding paragraph (1),  
10 by striking “An employee” and all that follows  
11 through “is not entitled” and inserting “IN  
12 GENERAL.—An employee is not entitled to con-  
13 tinuation of pay within the meaning of section  
14 8118 for the first 3 days of temporary disability  
15 or, if section 8118 does not apply, is not enti-  
16 tled”;

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

19 (C) by striking paragraph (2); and

20 (D) by redesignating paragraph (3) as  
21 paragraph (2); and

22 (3) in subsection (b)—

23 (A) by striking “A Postal Service” the first  
24 place it appears and all that follows through “A

1           Postal Service” the second place it appears and  
2           inserting “USE OF LEAVE.—An”;

3                   (B) by striking “that 3-day period” and in-  
4           serting “the first 3 days of temporary dis-  
5           ability”; and

6                   (C) by striking “or is followed by perma-  
7           nent disability”.

8           (b) CONTINUATION OF PAY.—Section 8118 is amend-  
9   ed—

10           (1) in the section heading, by striking “; **elec-**  
11           **tion to use annual or sick leave**”;

12           (2) in subsection (b)(1), by striking “section  
13           8117(b)” and inserting “section 8117”;

14           (3) by striking subsection (c); and

15           (4) by redesignating subsections (d) and (e) as  
16           subsections (c) and (d), respectively.

17           (c) TECHNICAL AND CONFORMING AMENDMENTS.—

18   The table of sections for chapter 81 is amended by strik-  
19   ing the items relating to sections 8117 and 8118 and in-  
20   serting the following:

“8117. Waiting period.

“8118. Continuation of pay.”.

21   **SEC. 309. ELECTION OF BENEFITS.**

22           (a) IN GENERAL.—Section 8116 is amended by add-  
23   ing at the end the following:

24           “(e) RETIREMENT BENEFITS.—

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

7           “(2) ELECTION.—

8           “(A) DEADLINE.—An individual shall  
9           make an election under paragraph (1) in ac-  
10          cordance with such deadlines as the Secretary  
11          of Labor shall establish.

12          “(B) REVOCABILITY.—An election under  
13          paragraph (1) shall be revocable, notwith-  
14          standing any other provision of law, except for  
15          any period during which an individual—

16                  “(i) was qualified for benefits payable  
17                  under both this subchapter and under a re-  
18                  tirement system described in paragraph  
19                  (1); and

20                  “(ii) was paid benefits under the re-  
21                  tirement system after having been notified  
22                  of eligibility for benefits under this sub-  
23                  chapter.

24          “(3) INFORMED CHOICE.—The Secretary of  
25          Labor shall provide information, and shall ensure

1 that information is provided, to an individual de-  
2 scribed in paragraph (1) about the benefits available  
3 to the individual under this subchapter or under  
4 chapter 83 or 84 or any other retirement system re-  
5 ferred to in paragraph (1) the individual may elect  
6 to receive.”.

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

11 **SEC. 310. SANCTION FOR NONCOOPERATION WITH FIELD**  
12 **NURSES.**

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

15 “(f) **FIELD NURSES.**—

16 “(1) **DEFINITION.**—In this subsection, the term  
17 ‘field nurse’ means a registered nurse that assists  
18 the Secretary in the medical management of dis-  
19 ability claims under this subchapter and provides  
20 claimants with assistance in coordinating medical  
21 care.

22 “(2) **AUTHORIZATION.**—The Secretary may use  
23 field nurses to coordinate medical services and voca-  
24 tional rehabilitation programs for injured employees  
25 under this subchapter. If an employee refuses to co-

1       operate with a field nurse or obstructs a field nurse  
2       in the performance of duties under this subchapter,  
3       the right to compensation under this subchapter  
4       shall be suspended until the refusal or obstruction  
5       stops.”.

6       **SEC. 311. SUBROGATION OF CONTINUATION OF PAY.**

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

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

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

13              (3) in subsection (c)—

14                      (A) by inserting “continuation of pay or”  
15       before “compensation already paid”; and

16                      (B) by inserting “continuation of pay or”  
17       before “compensation payable”.

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

20              (1) in the first sentence—

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

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

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

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

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

10 (2) in the second sentence, by striking “his des-  
11 ignee” and inserting “the designee of the bene-  
12 ficiary”; and

13 (3) in the fourth sentence, by striking “If com-  
14 pensation” and all that follows through “payable to  
15 him by the United States” and inserting “If con-  
16 tinuation of pay or compensation has not been paid  
17 to the beneficiary, the money or property shall be  
18 credited against continuation of pay or compensation  
19 payable to the beneficiary by the United States”.

20 **SEC. 312. SOCIAL SECURITY EARNINGS INFORMATION.**

21 Section 8116, as amended by section 308, is amended  
22 by adding at the end the following:

23 “(f) EARNINGS INFORMATION.—Notwithstanding  
24 section 552a or any other provision of Federal or State  
25 law, the Social Security Administration shall make avail-

1 able to the Secretary of Labor, upon written request, the  
2 Social Security earnings information of a living or de-  
3 ceased employee who may have sustained an injury or died  
4 as a result of an injury that is the subject of a claim under  
5 this subchapter required by the Secretary of Labor to  
6 carry out this subchapter.”.

7 **SEC. 313. AMOUNT OF COMPENSATION.**

8 (a) INJURIES TO FACE, HEAD, AND NECK.—Section  
9 8107(c)(21) is amended—

10 (1) by striking “not to exceed \$3,500” and in-  
11 sserting “in proportion to the severity of the dis-  
12 figurement, not to exceed \$50,000,”; and

13 (2) by adding at the end the following: “The  
14 maximum amount of compensation under this para-  
15 graph shall be increased on March 1 of each year by  
16 the amount determined by the Secretary of Labor to  
17 represent the percent change in the price index pub-  
18 lished for December of the preceding year over the  
19 price index published for the December of the year  
20 prior to the preceding year, adjusted to the nearest  
21 one-tenth of 1 percent.”.

22 (b) FUNERAL EXPENSES.—Section 8134(a) is  
23 amended—

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

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

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

13          **SEC. 314. TECHNICAL AND CONFORMING AMENDMENTS.**

14          Chapter 81 is amended—

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

21                 (2) in section 8139, by inserting “under this  
22                 subchapter” after “Compensation awarded”;

23                 (3) in section 8148(a), by striking “section  
24                 8106” and inserting “section 8106a”;

1 **SEC. 315. REGULATIONS.**

2 (a) IN GENERAL.—As soon as possible after the date  
3 of enactment of this Act, the Secretary of Labor shall pro-  
4 mulgate regulations (which may include interim final reg-  
5 ulations) to carry out this title.

6 (b) CONTENTS.—The regulations promulgated under  
7 subsection (a) shall include, for purposes of the amend-  
8 ments made by sections 302 and 303, clarification of—

9 (1) what is a claim; and

10 (2) what is the date on which a period of dis-  
11 ability, for which a claim is made, commences.

12 **TITLE IV—OTHER MATTERS**

13 **SEC. 401. PROFITABILITY PLAN.**

14 (a) PLAN REQUIRED.—Not later than 90 days after  
15 the date of enactment of this Act, the Postal Service shall  
16 submit to the Committee on Homeland Security and Gov-  
17 ernmental Affairs of the Senate, the Committee on Over-  
18 sight and Government Reform of the House of Represent-  
19 atives, the Comptroller General of the United States, and  
20 the Commission a plan describing, in detail, the actions  
21 the Postal Service will take to—

22 (1) become profitable by fiscal year 2015; and

23 (2) achieve long-term financial solvency.

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

26 (1) the legal authority of the Postal Service;

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

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

6           (4) projected changes in mail volume.

7           (c) UPDATES.—The Postal Service shall update the  
8           plan required under subsection (a) not less frequently than  
9           quarterly, until the last quarter of fiscal year 2015.

10 **SEC. 402. POSTAL RATES.**

11           (a) COMMISSION STUDY.—

12           (1) IN GENERAL.—Not earlier than 2 years  
13           after the date of enactment of this Act, the Commis-  
14           sion shall commence a study to determine—

15                   (A) whether and to what extent any mar-  
16                   ket-dominant classes, products, or types of mail  
17                   services do not bear the direct and indirect  
18                   costs attributable to those classes, products, or  
19                   types of mail service; and

20                   (B) the impact of any excess mail proc-  
21                   essing, transportation, or delivery capacity of  
22                   the Postal Service on the direct and indirect  
23                   costs attributable to any class that bears less  
24                   than 100 percent of the costs attributable to

1           the class, as determined under subparagraph  
2           (A).

3           (2) REQUIREMENTS.—The Commission shall  
4           conduct the study under paragraph (1) in a manner  
5           that protects confidential and proprietary business  
6           information.

7           (3) HEARING.—Before completing the study  
8           under paragraph (1), the Commission shall hold a  
9           public hearing, on the record, in order to better in-  
10          form the conclusions of the study. The Postal Serv-  
11          ice, postal customers, and other interested persons  
12          may participate in the hearing under this paragraph.

13          (4) COMPLETION.—Not later than 6 months  
14          after the date on which the Commission commences  
15          the study under subsection (a), the Commission shall  
16          complete the study.

17          (b) ANNUAL UPDATES REQUIRED.—Not later than  
18          1 year after the date of completion of the study under  
19          subsection (a), and annually thereafter, the Commission  
20          shall—

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

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

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

8           (c) POSTAL RATES.—

9           (1) DEFINITION.—In this subsection, the term  
10          “loss-making”, as used with respect to a class of  
11          mail, means a class of mail that bears less than 100  
12          percent of the costs attributable to the class of mail,  
13          according to the most recent annual determination  
14          of the Commission under subsection (a)(1) or (b)(1),  
15          adjusted to account for the quantitative effect of ex-  
16          cess mail processing, transportation, or delivery ca-  
17          pacity of the Postal Service on the costs attributable  
18          to the class of mail.

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

24          (3) CONSIDERATIONS.—The Postal Service may  
25          establish postal rates under paragraph (2) in a man-

1       ner that ensures, to the extent practicable, that a  
2       class of mail described in paragraph (2) is not loss-  
3       making by—

4               (A) using the authority to increase rates  
5               under section 3622(d)(1)(A) of title 39, United  
6               States Code;

7               (B) exhausting any unused rate adjust-  
8               ment authority, as defined in section  
9               3622(d)(2)(C) of title 39, United States Code,  
10              subject to paragraph (4); and

11              (C) maximizing incentives to reduce costs  
12              and increase efficiency with regard to the proc-  
13              essing, transportation, and delivery of such mail  
14              by the Postal Service.

15              (4) UNUSED RATE ADJUSTMENT AUTHORITY.—  
16              Section 3622(d)(2)(C) of title 39, United States  
17              Code, shall be applied by annually increasing by 2  
18              percentage points any unused rate adjustment au-  
19              thority for a class of mail that bears less than 90  
20              percent of the costs attributable to the class of mail,  
21              according to the most recent annual determination  
22              of the Commission under subsection (a)(1) or (b)(1),  
23              adjusted to account for the quantitative effect of ex-  
24              cess mail processing, transportation, or delivery ca-

1           capacity of the Postal Service on the costs attributable  
2           to the class of mail.

3   **SEC. 403. COOPERATION WITH STATE AND LOCAL GOVERN-**  
4                           **MENTS; INTRA-SERVICE AGREEMENTS.**

5           (a) COOPERATION WITH STATE AND LOCAL GOV-  
6   ERNMENTS.—Section 411 of title 39, United States Code,  
7   is amended, in the first sentence by striking “and the Gov-  
8   ernment Printing Office” inserting “, the Government  
9   Printing Office, and agencies and other units of State and  
10   local governments”.

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

14               (1) in the section heading, by adding at the end  
15               the following: “**and within the Postal Serv-**  
16               **ice**”;

17               (2) in the second sentence, by striking “sec-  
18               tion” and inserting “subsection”;

19               (3) by striking “Executive agencies” and insert-  
20               ing the following:

21               “(a) COOPERATION WITH STATE AND LOCAL GOV-  
22   ERNMENTS.—Executive agencies”; and

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

24               “(b) COOPERATION WITHIN THE POSTAL SERV-  
25   ICE.—The Office of the Inspector General and other com-

1 ponents of the Postal Service may enter into agreements  
2 to furnish to each other property, both real and personal,  
3 and personal and nonpersonal services. The furnishing of  
4 property and services under this subsection shall be under  
5 such terms and conditions, including reimbursability, as  
6 the Inspector General and the head of the component con-  
7 cerned shall deem appropriate.”.

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

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

12 **SEC. 404. SHIPPING OF WINE AND BEER.**

13 (a) MAILABILITY.—

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

19 (2) APPLICATION OF LAWS.—Section 1161 of  
20 title 18, United States Code, is amended, by insert-  
21 ing “, and, with respect to the mailing of wine or  
22 malt beverages (as those terms are defined in section  
23 117 of the Federal Alcohol Administration Act (27

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

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

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

9 “(2) Wine or malt beverages shall be considered mail-  
10 able if mailed—

11 “(A) by a licensed winery or brewery, in accord-  
12 ance with applicable regulations under paragraph  
13 (3); and

14 “(B) in accordance with the law of the State,  
15 territory, or district of the United States where the  
16 addressee or duly authorized agent takes delivery.

17 “(3) The Postal Service shall prescribe such regula-  
18 tions as may be necessary to carry out this subsection,  
19 including regulations providing that—

20 “(A) the mailing shall be by a means estab-  
21 lished by the Postal Service to ensure direct delivery  
22 to the addressee or a duly authorized agent;

23 “(B) the addressee (and any duly authorized  
24 agent) shall be an individual at least 21 years of  
25 age;

1           “(C) the individual who takes delivery, whether  
2 the addressee or a duly authorized agent, shall  
3 present a valid, government-issued photo identifica-  
4 tion at the time of delivery;

5           “(D) the wine or malt beverages may not be for  
6 resale or other commercial purpose; and

7           “(E) the winery or brewery involved shall—

8                 “(i) certify in writing to the satisfaction of  
9 the Postal Service, through a registration proc-  
10 ess administered by the Postal Service, that the  
11 mailing is not in violation of any provision of  
12 this subsection or regulation prescribed under  
13 this subsection; and

14                 “(ii) provide any other information or af-  
15 firmation that the Postal Service may require,  
16 including with respect to the prepayment of  
17 State alcohol beverage taxes.

18           “(4) For purposes of this subsection—

19                 “(A) a winery shall be considered to be licensed  
20 if it holds an appropriate basic permit issued—

21                         “(i) under the Federal Alcohol Administra-  
22 tion Act; and

23                         “(ii) under the law of the State in which  
24 the winery is located; and



1 the Postal Regulatory Commission shall submit a report  
 2 on the fiscal stability of the United States mailing indus-  
 3 try with respect to the preceding fiscal year to—

4 “(1) the Committee on Homeland Security and  
 5 Governmental Affairs of the Senate; and

6 “(2) the Committee on Oversight and Govern-  
 7 ment Reform of the House of Representatives.

8 “(b) ASSISTANCE.—The United States Postal Service  
 9 and any Federal agency involved in oversight or data col-  
 10 lection regarding industry sectors relevant to the report  
 11 under subsection (a) shall provide any assistance to the  
 12 Postal Regulatory Commission that the Postal Regulatory  
 13 Commission determines is necessary in the preparation of  
 14 a report under subsection (a).”.

15 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
 16 The table of sections for chapter 24 of title 39, United  
 17 States Code, is amended by adding at the end the fol-  
 18 lowing:

“2403. Annual report on the fiscal stability of the United States mailing indus-  
 try.”.

19 **SEC. 406. USE OF NEGOTIATED SERVICE AGREEMENTS.**

20 Section 3622 of title 39, United States Code, is  
 21 amended—

22 (1) in subsection (c)(10)(A)—

23 (A) in the matter preceding clause (i), by  
 24 striking “either” and inserting “will”;

1 (B) in clause (i), by striking “or” at the  
2 end;

3 (C) in clause (ii), by striking “and” at the  
4 end and inserting “or”; and

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

6 “(iii) preserve mail volume and rev-  
7 enue; and”; and

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

9 “(g) COORDINATION.—The Postal Service and the  
10 Postal Regulatory Commission shall coordinate actions to  
11 identify methods to increase the use of negotiated service  
12 agreements for market-dominant products by the Postal  
13 Service consistent with subsection (c)(10).”.

14 **SEC. 407. CONTRACT DISPUTES.**

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

17 (1) in subparagraph (C), by striking “and” at  
18 the end;

19 (2) in subparagraph (D), by striking the period  
20 at the end and inserting “; and”; and

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

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

1 **SEC. 408. CONTRACTING PROVISIONS.**

2 (a) IN GENERAL.—Part I of title 39, United States  
3 Code, is amended by adding at the end the following:

4 **“CHAPTER 7—CONTRACTING PROVISIONS**

“Sec.

“701. Definitions.

“702. Advocate for competition.

“703. Delegation of contracting authority.

“704. Posting of noncompetitive purchase requests for noncompetitive contracts.

“705. Review of ethical issues.

“706. Ethical restrictions on participation in certain contracting activity.

5 **“§ 701. Definitions**

6 “In this chapter—

7 “(1) the term ‘contracting officer’ means an  
8 employee of a covered postal entity who has author-  
9 ity to enter into a postal contract;

10 “(2) the term ‘covered postal entity’ means—

11 “(A) the United States Postal Service; or

12 “(B) the Postal Regulatory Commission;

13 “(3) the term ‘head of a covered postal entity’  
14 means—

15 “(A) in the case of the United States Post-  
16 al Service, the Postmaster General; or

17 “(B) in the case of the Postal Regulatory  
18 Commission, the Chairman of the Postal Regu-  
19 latory Commission;

20 “(4) the term ‘postal contract’ means any con-  
21 tract (including any agreement or memorandum of

1 understanding) entered into by a covered postal enti-  
2 ty for the procurement of goods or services; and

3 “(5) the term ‘senior procurement executive’  
4 means the senior procurement executive of a covered  
5 postal entity.

6 **“§ 702. Advocate for competition**

7 “(a) ESTABLISHMENT AND DESIGNATION.—

8 “(1) There is established in each covered postal  
9 entity an advocate for competition.

10 “(2) The head of each covered postal entity  
11 shall designate for the covered postal entity 1 or  
12 more officers or employees (other than the senior  
13 procurement executive) to serve as the advocate for  
14 competition.

15 “(b) RESPONSIBILITIES.—The advocate for competi-  
16 tion of each covered postal entity shall—

17 “(1) be responsible for promoting competition  
18 to the maximum extent practicable consistent with  
19 obtaining best value by promoting the acquisition of  
20 commercial items and challenging barriers to com-  
21 petition;

22 “(2) review the procurement activities of the  
23 covered postal entity; and

24 “(3) prepare and transmit to the head of each  
25 covered postal entity, the senior procurement execu-

1           tive of each covered postal entity, the Board of Gov-  
2           ernors of the United States Postal Service, and Con-  
3           gress, an annual report describing—

4                   “(A) the activities of the advocate under  
5           this section;

6                   “(B) initiatives required to promote com-  
7           petition;

8                   “(C) barriers to competition that remain;  
9           and

10                   “(D) the number of waivers made by each  
11           covered postal entity under section 704(c).

12   **“§ 703. Delegation of contracting authority**

13           “(a) IN GENERAL.—

14                   “(1) POLICY.—Not later than 60 days after the  
15           date of enactment of the 21st Century Postal Serv-  
16           ice Act of 2011, the head of each covered postal en-  
17           tity shall issue a policy on contracting officer delega-  
18           tions of authority for the covered postal entity.

19                   “(2) CONTENTS.—The policy issued under  
20           paragraph (1) shall require that—

21                   “(A) notwithstanding any delegation of au-  
22           thority with respect to postal contracts, the ulti-  
23           mate responsibility and accountability for the  
24           award and administration of postal contracts



1 competitive award, publicly available on the website  
2 of the Postal Regulatory Commission—

3 “(A) not later than 14 days after the date  
4 of the award of the noncompetitive contract; or

5 “(B) not later than 30 days after the date  
6 of the award of the noncompetitive contract, if  
7 the basis for the award was a compelling busi-  
8 ness interest.

9 “(2) UNITED STATES POSTAL SERVICE.—The  
10 United States Postal Service shall make the non-  
11 competitive purchase request for any noncompetitive  
12 award of a postal contract valued at \$250,000 or  
13 more, including the rationale supporting the non-  
14 competitive award, publicly available on the website  
15 of the United States Postal Service—

16 “(A) not later than 14 days after the date  
17 of the award; or

18 “(B) not later than 30 days after the date  
19 of the award, if the basis for the award was a  
20 compelling business interest.

21 “(3) ADJUSTMENTS TO THE POSTING THRESH-  
22 OLD FOR THE UNITED STATES POSTAL SERVICE.—

23 “(A) REVIEW AND DETERMINATION.—Not  
24 later than January 31 of each year, the United  
25 States Postal Service shall—

1 “(i) review the \$250,000 threshold es-  
2 tablished under paragraph (2); and

3 “(ii) based on any change in the Con-  
4 sumer Price Index for all-urban consumers  
5 of the Department of Labor, determine  
6 whether an adjustment to the threshold  
7 shall be made.

8 “(B) AMOUNT OF ADJUSTMENTS.—An ad-  
9 justment under subparagraph (A) shall be made  
10 in increments of \$5,000. If the United States  
11 Postal Service determines that a change in the  
12 Consumer Price Index for a year would require  
13 an adjustment in an amount that is less than  
14 \$5,000, the United States Postal Service may  
15 not make an adjustment to the threshold for  
16 the year.

17 “(4) EFFECTIVE DATE.—This subsection shall  
18 apply to any noncompetitive contract awarded on or  
19 after the date that is 90 days after the date of en-  
20 actment of the 21st Century Postal Service Act of  
21 2011.

22 “(b) PUBLIC AVAILABILITY.—

23 “(1) IN GENERAL.—Subject to paragraph (2),  
24 the information required to be made publicly avail-  
25 able by a covered postal entity under subsection (a)

1 shall be readily accessible on the website of the cov-  
2 ered postal entity.

3 “(2) PROTECTION OF PROPRIETARY INFORMA-  
4 TION.—A covered postal entity shall—

5 “(A) carefully screen any description of the  
6 rationale supporting a noncompetitive award re-  
7 quired to be made publicly available under sub-  
8 section (a) to determine whether the description  
9 includes proprietary data (including any ref-  
10 erence or citation to the proprietary data) or se-  
11 curity-related information; and

12 “(B) remove any proprietary data or secu-  
13 rity-related information before making publicly  
14 available a description of the rational sup-  
15 porting a noncompetitive award.

16 “(c) WAIVERS.—

17 “(1) WAIVER PERMITTED.—If a covered postal  
18 entity determines that making a noncompetitive pur-  
19 chase request publicly available would risk placing  
20 the United States Postal Service at a competitive  
21 disadvantage relative to a private sector competitor,  
22 the senior procurement executive, in consultation  
23 with the advocate for competition of the covered  
24 postal entity, may waive the requirements under  
25 subsection (a).

1 “(2) FORM AND CONTENT OF WAIVER.—

2 “(A) FORM.—A waiver under paragraph  
3 (1) shall be in the form of a written determina-  
4 tion placed in the file of the contract to which  
5 the noncompetitive purchase agreement relates.

6 “(B) CONTENT.—A waiver under para-  
7 graph (1) shall include—

8 “(i) a description of the risk associ-  
9 ated with making the noncompetitive pur-  
10 chase request publicly available; and

11 “(ii) a statement that redaction of  
12 sensitive information in the noncompetitive  
13 purchase request would not be sufficient to  
14 protect the United States Postal Service  
15 from being placed at a competitive dis-  
16 advantage relative to a private sector com-  
17 petitor.

18 “(3) DELEGATION OF WAIVER AUTHORITY.—A  
19 covered postal entity may not delegate the authority  
20 to approve a waiver under paragraph (1) to any em-  
21 ployee having less authority than the senior procure-  
22 ment executive.

23 **“§ 705. Review of ethical issues**

24 “If a contracting officer identifies any ethical issues  
25 relating to a proposed contract and submits those issues

1 and that proposed contract to the designated ethics official  
2 for the covered postal entity before the awarding of that  
3 contract, that ethics official shall—

4 “(1) review the proposed contract; and

5 “(2) advise the contracting officer on the appro-  
6 priate resolution of ethical issues.

7 **“§ 706. Ethical restrictions on participation in certain**  
8 **contracting activity**

9 “(a) DEFINITIONS.—In this section—

10 “(1) the term ‘covered employee’ means—

11 “(A) a contracting officer; or

12 “(B) any employee of a covered postal en-  
13 tity whose decisionmaking affects a postal con-  
14 tract as determined by regulations prescribed  
15 by the head of a covered postal entity;

16 “(2) the term ‘covered relationship’ means a  
17 covered relationship described in section  
18 2635.502(b)(1) of title 5, Code of Federal Regula-  
19 tions, or any successor thereto; and

20 “(3) the term ‘final conviction’ means a convic-  
21 tion, whether entered on a verdict or plea, including  
22 a plea of nolo contendere, for which a sentence has  
23 been imposed.

24 “(b) IN GENERAL.—

1           “(1) REGULATIONS.—The head of each covered  
2 postal entity shall prescribe regulations that—

3           “(A) require a covered employee to include  
4 in the file of any noncompetitive purchase re-  
5 quest for a noncompetitive postal contract a  
6 written certification that—

7           “(i) discloses any covered relationship  
8 of the covered employee; and

9           “(ii) the covered employee will not  
10 take any action with respect to the non-  
11 competitive purchase request that affects  
12 the financial interests of a friend, relative,  
13 or person with whom the covered employee  
14 is affiliated in a nongovernmental capacity,  
15 or otherwise gives rise to an appearance of  
16 the use of public office for private gain, as  
17 described in section 2635.702 of title 5,  
18 Code of Federal Regulations, or any suc-  
19 cessor thereto;

20           “(B) require a contracting officer to con-  
21 sult with the ethics counsel for the covered  
22 postal entity regarding any disclosure made by  
23 a covered employee under subparagraph (A)(i),  
24 to determine whether participation by the cov-  
25 ered employee in the noncompetitive purchase

1 request would give rise to a violation of part  
2 2635 of title 5, Code of Federal Regulations  
3 (commonly referred to as the ‘Standards of  
4 Ethical Conduct for Employees of the Executive  
5 Branch’);

6 “(C) require the ethics counsel for a cov-  
7 ered postal entity to review any disclosure made  
8 by a contracting officer under subparagraph  
9 (A)(i) to determine whether participation by the  
10 contracting officer in the noncompetitive pur-  
11 chase request would give rise to a violation of  
12 part 2635 of title 5, Code of Federal Regula-  
13 tions (commonly referred to as the ‘Standards  
14 of Ethical Conduct for Employees of the Execu-  
15 tive Branch’), or any successor thereto;

16 “(D) under subsections (d) and (e) of sec-  
17 tion 2635.50 of title 5, Code of Federal Regula-  
18 tions, or any successor thereto, require the eth-  
19 ics counsel for a covered postal entity to—

20 “(i) authorize a covered employee that  
21 makes a disclosure under subparagraph  
22 (A)(i) to participate in the noncompetitive  
23 postal contract; or

24 “(ii) disqualify a covered employee  
25 that makes a disclosure under subpara-

1 graph (A)(i) from participating in the non-  
2 competitive postal contract;

3 “(E) require a contractor to timely disclose  
4 to the contracting officer in a bid, solicitation,  
5 award, or performance of a postal contract any  
6 conflict of interest with a covered employee; and

7 “(F) include authority for the head of the  
8 covered postal entity to a grant a waiver or oth-  
9 erwise mitigate any organizational or personal  
10 conflict of interest, if the head of the covered  
11 postal entity determines that the waiver or miti-  
12 gation is in the best interests of the Postal  
13 Service.

14 “(2) POSTING OF WAIVERS.—Not later than 30  
15 days after the head of a covered postal entity grants  
16 a waiver described in paragraph (1)(F), the head of  
17 the covered postal entity shall make the waiver pub-  
18 licly available on the website of the covered postal  
19 entity.

20 “(c) CONTRACT VOIDANCE AND RECOVERY.—

21 “(1) UNLAWFUL CONDUCT.—In any case in  
22 which there is a final conviction for a violation of  
23 any provision of chapter 11 of title 18 relating to a  
24 postal contract, the head of a covered postal entity  
25 may—

1 “(A) void that contract; and

2 “(B) recover the amounts expended and  
3 property transferred by the covered postal enti-  
4 ty under that contract.

5 “(2) OBTAINING OR DISCLOSING PROCUREMENT  
6 INFORMATION.—

7 “(A) IN GENERAL.—In any case where a  
8 contractor under a postal contract fails to time-  
9 ly disclose a conflict of interest to the appro-  
10 priate contracting officer as required under the  
11 regulations promulgated under subsection  
12 (b)(1)(D), the head of a covered postal entity  
13 may—

14 “(i) void that contract; and

15 “(ii) recover the amounts expended  
16 and property transferred by the covered  
17 postal entity under that contract.

18 “(B) CONVICTION OR ADMINISTRATIVE DE-  
19 TERMINATION.—A case described under sub-  
20 paragraph (A) is any case in which—

21 “(i) there is a final conviction for an  
22 offense punishable under section 27(e) of  
23 the Office of Federal Procurement Policy  
24 Act (41 U.S.C. 423(e)); or

1                   “(ii) the head of a covered postal enti-  
2                   ty determines, based upon a preponderance  
3                   of the evidence, that the contractor or  
4                   someone acting for the contractor has en-  
5                   gaged in conduct constituting an offense  
6                   punishable under section 27(e) of that  
7                   Act.”.

8           (b) TECHNICAL AND CONFORMING AMENDMENT.—

9 The table of chapters for part I of title 39, United States  
10 Code, is amended by adding at the end the following:

“7. Contracting Provisions ..... 701”.