

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—112th Cong., 2d Sess.

S. 1789

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

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by Mr. LIEBERMAN (for himself, Ms.
COLLINS, Mr. CARPER, and Mr. BROWN of Massachu-
setts)

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

3 **SECTION 1. SHORT TITLE.**

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

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 postal funding surplus for Federal Employees Retirement System.
- Sec. 102. Incentives for voluntary separation.
- Sec. 103. Restructuring of payments for retiree health benefits.
- Sec. 104. Postal Service Health Benefits Program.
- Sec. 105. Medicare coordination efforts for Postal Service employees and retirees.
- Sec. 106. Arbitration; labor disputes.

TITLE II—POSTAL SERVICES AND OPERATIONS

- Sec. 201. Maintenance of delivery service standards.
- Sec. 202. Preserving mail processing capacity.
- Sec. 203. Establishment of retail service standards.
- Sec. 204. Expanded retail access.
- Sec. 205. Preserving community post offices.
- Sec. 206. Area and district office structure.
- Sec. 207. Conversion of door delivery points.
- Sec. 208. Limitations on changes to mail delivery schedule.
- Sec. 209. Time limits for consideration of service changes.
- Sec. 210. Public procedures for significant changes to mailing specifications.
- Sec. 211. Nonpostal products and services.
- Sec. 212. Chief Innovation Officer; innovation strategy.
- Sec. 213. Strategic Advisory Commission on Postal Service Solvency and Innovation.

TITLE III—FEDERAL EMPLOYEES' COMPENSATION ACT

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

TITLE IV—OTHER MATTERS

- Sec. 401. Solvency plan.
- Sec. 402. Postal rates.
- Sec. 403. Co-location with Federal agencies.
- Sec. 404. Cooperation with State and local governments; intra-Service agreements.
- Sec. 405. Shipping of wine, beer, and distilled spirits.
- Sec. 406. Annual report on United States mailing industry.
- Sec. 407. Use of negotiated service agreements.

Sec. 408. Contract disputes.
Sec. 409. Contracting provisions.

1 **SEC. 3. DEFINITIONS.**

2 In this Act, the following definitions shall apply:

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

5 (2) POSTAL SERVICE.—The term “Postal Serv-
6 ice” means the United States Postal Service.

7 **TITLE I—POSTAL WORKFORCE**
8 **MATTERS**

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

11 Section 8423(b) of title 5, United States Code, is
12 amended—

13 (1) by redesignating paragraph (5) as para-
14 graph (6); and

15 (2) by inserting after paragraph (4) the fol-
16 lowing:

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

20 “(B)(i) Beginning with fiscal year 2011, for each fis-
21 cal year in which the amount computed under paragraph
22 (1)(B) is less than zero, upon request of the Postmaster
23 General, the Director shall transfer to the United States
24 Postal Service from the Fund an amount equal to the

1 postal funding surplus for that fiscal year for use in ac-
2 cordance with this paragraph.

3 “(ii) The Office shall calculate the amount under
4 paragraph (1)(B) for a fiscal year by not later than June
5 15 after the close of the fiscal year, and shall transfer
6 any postal funding surplus to the United States Postal
7 Service within 10 days after a request by the Postmaster
8 General.

9 “(C) For each of fiscal years 2011, 2012, 2013, and
10 2014 if the amount computed under paragraph (1)(B) is
11 less than zero, a portion of the postal funding surplus for
12 the fiscal year shall be used by the United States Postal
13 Service for the cost of providing incentives for voluntary
14 separation, in accordance with section 102 of the 21st
15 Century Postal Service Act of 2012 and sections 8332(p)
16 and 8411(m) of this title, to employees of the United
17 States Postal Service who voluntarily separate from serv-
18 ice before October 1, 2015.

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

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

24 “(ii) making required payments to—

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

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

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

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

9 **SEC. 102. INCENTIVES FOR VOLUNTARY SEPARATION.**

10 (a) VOLUNTARY SEPARATION INCENTIVE PAY-
11 MENTS.—The Postal Service may provide voluntary sepa-
12 ration incentive payments to employees of the Postal Serv-
13 ice who voluntarily separate from service before October
14 1, 2015 (including payments to employees who retire
15 under section 8336(d)(2) or 8414(b)(1)(B) of title 5,
16 United States Code, before October 1, 2015), which may
17 not exceed the maximum amount provided under section
18 3523(b)(3)(B) of title 5, United States Code, for any em-
19 ployee.

20 (b) ADDITIONAL SERVICE CREDIT.—

21 (1) CIVIL SERVICE RETIREMENT SYSTEM.—Sec-
22 tion 8332 of title 5, United States Code, is amended
23 by adding at the end the following:

24 “(p)(1)(A) For an employee of the United States
25 Postal Service who is covered under this subchapter and

1 voluntarily separates from service before October 1, 2015,
2 the Office, if so directed by the United States Postal Serv-
3 ice, shall add not more than 1 year to the total creditable
4 service of the employee for purposes of determining enti-
5 tlement to and computing the amount of an annuity under
6 this subchapter (except for a disability annuity under sec-
7 tion 8337).

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

12 “(2) The United States Postal Service shall ensure
13 that the average actuarial present value of the additional
14 liability of the United States Postal Service to the Fund
15 resulting from additional creditable service provided under
16 paragraph (1) or section 8411(m)(1) is not more than
17 \$25,000 per employee provided additional creditable serv-
18 ice under paragraph (1) or section 8411(m)(1).

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

23 “(B) The actuarial present value of the additional li-
24 ability of the United States Postal Service to the Fund

1 resulting from this subsection shall be included in the
2 amount calculated under section 8348(h)(1)(A).”.

3 (2) FEDERAL EMPLOYEES RETIREMENT SYS-
4 TEM.—Section 8411 of title 5, United States Code,
5 is amended by adding at the end the following:

6 “(m)(1)(A) For an employee of the United States
7 Postal Service who is covered under this chapter and vol-
8 untarily separates from service before October 1, 2015,
9 the Office, if so directed by the United States Postal Serv-
10 ice, shall add not more than 2 years to the total creditable
11 service of the employee for purposes of determining enti-
12 tlement to and computing the amount of an annuity under
13 this chapter (except for a disability annuity under sub-
14 chapter V of that chapter).

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

19 “(2) The United States Postal Service shall ensure
20 that the average actuarial present value of the additional
21 liability of the United States Postal Service to the Fund
22 resulting from additional creditable service provided under
23 paragraph (1) or section 8332(p)(1) is not more than
24 \$25,000 per employee provided additional creditable serv-
25 ice under paragraph (1) or section 8332(p)(1)

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

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

9 (c) GOALS.—

10 (1) IN GENERAL.—The Postal Service shall
11 offer incentives for voluntary separation under this
12 section and the amendments made by this section as
13 a means of ensuring that the size and cost of the
14 workforce of the Postal Service is appropriate to the
15 work required of the Postal Service, including con-
16 sideration of—

17 (A) the closure and consolidation of postal
18 facilities;

19 (B) the ability to operate existing postal
20 facilities more efficiently, including by reducing
21 the size or scope of operations of postal facili-
22 ties in lieu of closing postal facilities; and

23 (C) the number of employees eligible, or
24 projected in the near-term to be eligible, for re-
25 tirement, including early retirement.

1 (2) PERCENTAGE GOAL.—The Postal Service
2 shall offer incentives for voluntary separation under
3 this section to a sufficient number of employees as
4 would reasonably be expected to lead to an 18 per-
5 cent reduction in the total number of career employ-
6 ees of the Postal Service by the end of fiscal year
7 2015.

8 (3) DEFINITION.—In this subsection, the term
9 “career employee of the Postal Service” means an
10 employee of the Postal Service—

11 (A) whose appointment is not for a limited
12 period; and

13 (B) who is eligible for benefits, including
14 retirement coverage under chapter 83 or 84 of
15 title 5, United States Code.

16 (d) FUNDING.—The Postal Service shall carry out
17 subsection (a) and sections 8332(p) and 8411(m) of title
18 5, United States Code, as added by subsection (b) of this
19 section, using funds made available under section
20 8423(b)(5)(C) of title 5, United States Code, as amended
21 by section 101 of this Act.

22 **SEC. 103. RESTRUCTURING OF PAYMENTS FOR RETIREE**
23 **HEALTH BENEFITS.**

24 (a) CONTRIBUTIONS.—Section 8906(g)(2)(A) of title
25 5, United States Code, is amended by striking “through

1 September 30, 2016, be paid by the United States Postal
2 Service, and thereafter shall” and inserting “after the date
3 of enactment of the 21st Century Postal Service Act of
4 2012”.

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

8 (1) in subsection (d)—

9 (A) by striking paragraph (2) and insert-
10 ing the following:

11 “(2)(A) Not later than 180 days after the date of
12 enactment of the 21st Century Postal Service Act of 2012,
13 or March 31, 2013, whichever is later, the Office shall
14 compute, and by June 30 of each succeeding year, the Of-
15 fice shall recompute, a schedule including a series of an-
16 nual installments which provide for the liquidation of the
17 amount described under subparagraph (B) (regardless of
18 whether the amount is a liability or surplus) by September
19 30, 2052, or within 15 years, whichever is later, including
20 interest at the rate used in the computations under this
21 subsection.

22 “(B) The amount described in this subparagraph is
23 the amount, as of the date on which the applicable com-
24 putation or recomputation under subparagraph (A) is
25 made, that is equal to the difference between—

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

4 “(ii) the value of the assets of the Postal Re-
5 tiree Health Benefits Fund as of September 30 of
6 the most recently ended fiscal year.”.

7 (B) in paragraph (3)—

8 (i) in subparagraph (A)—

9 (I) in clause (iii), by adding
10 “and” at the end;

11 (II) in clause (iv), by striking the
12 semicolon at the end and inserting a
13 period; and

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

16 (ii) in subparagraph (B), by striking
17 “2017” and inserting “2013”;

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

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

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

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

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

5 “(7) In this subsection, the term ‘Postal Service actu-
6 arial liability’ means the difference between—

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

11 “(B) the net present value as computed under
12 paragraph (1) attributable to the future service of
13 United States Postal Service employees.”; and

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

15 “(e) Subsections (a) through (d) of this section shall
16 be subject to section 104 of the 21st Century Postal Serv-
17 ice Act of 2012.”.

18 **SEC. 104. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

19 (a) DEFINITIONS.—In this section—

20 (1) the term “covered employee” means an em-
21 ployee of the Postal Service who is represented by a
22 bargaining representative recognized under section
23 1203 of title 39, United States Code;

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

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

7 (b) COLLECTIVE BARGAINING.—

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

20 (2) CONSULTATION WITH SUPERVISORY AND
21 MANAGERIAL PERSONNEL.—In the course of nego-
22 tiations under paragraph (1), the Postal Service
23 shall consult with each of the organizations of super-
24 visory and other managerial personnel that are rec-
25 ognized under section 1004 of title 39, United

1 States Code, concerning the views of the personnel
2 represented by each of those organizations.

3 (3) ARBITRATION LIMITATION.—Notwith-
4 standing chapter 12 of title 39, United States Code,
5 there shall not be arbitration of any dispute in the
6 negotiations under this subsection.

7 (4) TIME LIMITATION.—The authority under
8 this subsection shall extend until September 30,
9 2012.

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

12 (1) shall—

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

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

19 (C) provide adequate and appropriate
20 health benefits;

21 (D) be administered in a manner deter-
22 mined in a joint agreement reached under sub-
23 section (b); and

24 (E) provide for transition of coverage
25 under the Federal Employee Health Benefits

1 Program of covered employees to coverage
2 under the Postal Service Health Benefits Pro-
3 gram on January 1, 2013;

4 (2) may provide dental benefits; and

5 (3) may provide vision benefits.

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

8 (1) the Postal Service shall implement the Post-
9 al Service Health Benefits Program;

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

15 (3) covered employees may not participate as
16 employees in the Federal Employees Health Benefits
17 Program.

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

22 (f) REPORT.—Not later than June 30, 2013, the
23 Postal Service shall submit a report to the Committee on
24 Homeland Security and Governmental Affairs of the Sen-

1 ate and the Committee on Oversight and Government Re-
2 form of the House of Representatives that—

3 (1) reports on the implementation of this sec-
4 tion; and

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

8 **SEC. 105. MEDICARE COORDINATION EFFORTS FOR POST-**
9 **AL SERVICE EMPLOYEES AND RETIREES.**

10 (a) ADDITIONAL ENROLLMENT OPTIONS UNDER
11 FEDERAL EMPLOYEES HEALTH BENEFITS PLANS.—
12 Chapter 89 of title 5, United States Code, is amended by
13 inserting after section 8903b the following:

14 **“SEC. 8903c. COORDINATION WITH MEDICARE FOR POSTAL**
15 **SERVICE EMPLOYEES AND ANNUITANTS.**

16 “(a) DEFINITIONS.—In this section—

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

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

24 “(3) the term ‘Medicare part B’ means the
25 Medicare program for supplementary medical insur-

1 ance benefits under part B of title XVIII of the So-
2 cial Security Act (42 U.S.C. 1395j et seq.); and

3 “(4) the term ‘Postal Service employee or annu-
4 itant’ means an individual who is—

5 “(A) an employee of the Postal Service; or

6 “(B) an annuitant covered under this
7 chapter whose Government contribution is paid
8 by the Postal Service under section 8906(g)(2).

9 “(b) ENROLLMENT OPTIONS.—

10 “(1) ESTABLISHMENT.—

11 “(A) IN GENERAL.—For contract years be-
12 ginning on or after January 1, 2014, the Office
13 shall establish enrollment options for health
14 benefits plans that are open only to Postal
15 Service employees and annuitants, and family
16 members of a Postal Service employee or annu-
17 itant, who are enrolled in Medicare part A and
18 Medicare part B.

19 “(B) ADDITIONAL PLANS.—The enrollment
20 options established under this subsection shall
21 be in addition to any other health benefit plan
22 or enrollment option otherwise available to
23 Postal Service employees or annuitants under
24 this chapter and shall not affect the eligibility
25 of a Postal Service employee or annuitant for

1 “(ii) a self and family option, for
2 Postal Service employees or annuitants
3 and family members who are each enrolled
4 in Medicare part A and Medicare part B;
5 and

6 “(iii) a self and family option, for
7 Postal Service employees or annuitants—

8 “(I) who are enrolled in Medicare
9 part A and Medicare part B; and

10 “(II) the family members of
11 whom are not enrolled in Medicare
12 part A or Medicare part B.

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 any of
23 those options; 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 employees or annuitants, or
8 family members of Postal Service employ-
9 ees or annuitants, who are enrolled in
10 Medicare part A and Medicare part B; 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 employee or annuitant;
16 and

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

20 “(c) **POSTAL SERVICE CONSULTATION.**—The Office
21 shall establish the enrollment options and premiums under
22 this section in consultation with the Postal Service.”.

23 (b) **TECHNICAL AND CONFORMING AMENDMENTS.**—
24 The table of sections for chapter 89 of title 5, United

1 States Code, is amended by inserting after the item relat-
2 ing to section 8903b the following:

“8903c. Coordination with Medicare for Postal Service employees and annu-
itants.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 subsection (a) shall apply with respect to contract years
5 beginning on or after January 1, 2014.

6 (d) SPECIAL ENROLLMENT PERIOD FOR POSTAL
7 SERVICE EMPLOYEES AND ANNUITANTS.—

8 (1) SPECIAL ENROLLMENT PERIOD.—Section
9 1837 of the Social Security Act (42 U.S.C. 1395p)
10 is amended by adding at the end the following new
11 subsection:

12 “(m)(1) In the case of any individual who, as of the
13 date of enactment of the 21st Century Postal Service Act
14 of 2012, is a Postal Service employee or annuitant (as de-
15 fined in section 8903c(a) of title 5, United States Code)
16 at the time the individual is entitled to part A under sec-
17 tion 226 or section 226A and who is eligible to enroll but
18 who has elected not to enroll (or to be deemed enrolled)
19 during the individual’s initial enrollment period, there
20 shall be a special enrollment period described in paragraph
21 (2).

22 “(2) The special enrollment period described in this
23 paragraph, with respect to an individual, is the 1-year pe-
24 riod beginning on July 1, 2013.

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

5 (2) WAIVER OF INCREASE OF PREMIUM.—Sec-
6 tion 1839(b) of the Social Security Act (42 U.S.C.
7 1395r(b)) is amended by striking “(i)(4) or (l)” and
8 inserting “(i)(4), (l), or (m)”.

9 (e) EDUCATIONAL PROGRAM.—The Postmaster Gen-
10 eral, in consultation with the Director of the Office of Per-
11 sonnel Management and the Administrator of the Centers
12 for Medicare & Medicaid Services, shall develop an edu-
13 cational program to encourage the voluntary use of the
14 Medicare program for hospital insurance benefits under
15 part A of title XVIII of the Social Security Act (42 U.S.C.
16 1395c et seq.) (commonly known as “Medicare Part A”)
17 and the Medicare program for supplementary medical in-
18 surance benefits under part B of title XVIII of the Social
19 Security Act (42 U.S.C. 1395j et seq.) (commonly known
20 as “Medicare Part B”) for eligible Postal Service employ-
21 ees and annuitants that may benefit from enrollment, the
22 objective of which shall be to—

23 (1) educate employees and annuitants on how
24 Medicare benefits interact with and can supplement

1 the benefits of the employee or annuitant under the
2 Federal Employees Health Benefit Program; and
3 (2) reduce costs to the Federal Employees
4 Health Benefit Program, beneficiaries, and the Post-
5 al Service by coordinating services with the Medicare
6 program.

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

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

10 (1) in paragraph (2)—

11 (A) by inserting “(A)” after “(2)”;

12 (B) by striking the last sentence and in-
13 serting “The arbitration board shall render a
14 decision not later than 45 days after the date
15 of its appointment.”; and

16 (C) by adding at the end the following:

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

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

21 “(4) Nothing in this section may be construed to limit
22 the relevant factors that the arbitration board may take
23 into consideration in rendering a decision under paragraph
24 (2).”.

1 **TITLE II—POSTAL SERVICES**
2 **AND OPERATIONS**

3 **SEC. 201. MAINTENANCE OF DELIVERY SERVICE STAND-**
4 **ARDS.**

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

6 (1) the term “plant service area” means the ge-
7 ographic area served by a single sectional center fa-
8 cility, or a corresponding successor facility, as des-
9 ignated by the Postal Service; and

10 (2) the term “continental United States” means
11 the 48 contiguous States and the District of Colum-
12 bia.

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

16 (1) shall maintain the service standards de-
17 scribed in subsection (c);

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

23 (3) shall include in any new or revised over-
24 night service standard established for market-domi-
25 nant products under section 3691 of title 39, United

1 States Code, a policy on changes to critical entry
2 times at post offices and business mail entry units
3 that ensures that any such changes maintain mean-
4 ingful access to the services provided under the serv-
5 ice standard required to be maintained under sub-
6 section (c).

7 (c) SERVICE STANDARDS.—

8 (1) OVERNIGHT STANDARD FOR FIRST-CLASS
9 MAIL AND PERIODICALS.—

10 (A) IN GENERAL.—Except as provided in
11 subparagraph (B), the Postal Service shall
12 maintain an overnight service standard that
13 provides overnight service for first-class mail
14 and periodicals that—

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

17 (ii) enter the mails before the critical
18 entry time established and published by
19 the Postal Service.

20 (B) AREAS OUTSIDE THE CONTINENTAL
21 UNITED STATES.—The requirements of sub-
22 paragraph (A) shall not apply to areas outside
23 the continental United States—

24 (i) in the case of mail that originates
25 or destinate in a territory or possession of

1 the United States that is part of a plant
2 service area having a sectional center facil-
3 ity that—

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

6 (II) was not located in the terri-
7 tory or possession on January 1,
8 2012; and

9 (ii) in the case of mail not described
10 in clause (i), except to the extent that the
11 requirements are consistent with the serv-
12 ice standards under part 121 of title 39,
13 Code of Federal Regulations, as in effect
14 on January 1, 2012.

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

22 (3) MAXIMUM DELIVERY TIME FOR FIRST-
23 CLASS MAIL.—

1 (A) IN GENERAL.—The Postal Service
2 shall maintain a service standard that provides
3 that first-class mail will be delivered—

4 (i) within a maximum of 3 delivery
5 days, for mail that originates and des-
6 tinates within the continental United
7 States; and

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

14 (B) REVISIONS.—Notwithstanding sub-
15 paragraph (A)(ii), the Postal Service may revise
16 the service standards under part 121 of title
17 39, Code of Federal Regulations for mail de-
18 scribed in subparagraph (A)(ii) to take into ac-
19 count transportation conditions (including the
20 availability of transportation) or other cir-
21 cumstances outside the control of the Postal
22 Service.

23 **SEC. 202. PRESERVING MAIL PROCESSING CAPACITY.**

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

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

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

5 “(A) means any Postal Service facility that
6 is primarily involved in the preparation, dis-
7 patch, or other physical processing of mail; and

8 “(B) does not include—

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

11 “(ii) any facility used only for admin-
12 istrative functions.

13 “(2) AREA MAIL PROCESSING STUDY.—

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

20 “(i) conduct an area mail processing
21 study relating to that postal facility that
22 includes a plan to reduce the capacity of
23 the postal facility, but not close the postal
24 facility;

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

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

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

8 “(i) IN GENERAL.—In the case of a
9 postal facility described in clause (ii), the
10 Postal Service shall—

11 “(I) consider a plan to reduce the
12 capacity of the postal facility without
13 closing the postal facility; and

14 “(II) publish the results of the
15 consideration under subclause (I) with
16 or as an amendment to the area mail
17 processing study relating to the postal
18 facility.

19 “(ii) POSTAL FACILITIES.—A postal
20 facility described in this clause is a postal
21 facility for which, on or before the date of
22 enactment of this subsection—

23 “(I) an area mail processing
24 study that does not include a plan to
25 reduce the capacity of the postal facil-

1 ity without closing the postal facility
2 has been completed;

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

5 “(III) a determination as to the
6 necessity for the closing or consolida-
7 tion of the postal facility has not been
8 made.

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

13 “(A) provide notice of the determination
14 to—

15 “(i) Congress; and

16 “(ii) the Postal Regulatory Commis-
17 sion;

18 “(B) provide adequate public notice of the
19 intention of the Postal Service to close or con-
20 solidate the postal facility;

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

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

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

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

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

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

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

21 “(A) the views presented by interested per-
22 sons under paragraph (3);

23 “(B) the effect of the closing or consolida-
24 tion on the affected community, including any

1 disproportionate impact the closing or consoli-
2 dation may have on a State, region, or locality;

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

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

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

15 “(F) any other factor the Postal Service
16 determines is necessary.

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

22 “(A) a response to all public comments re-
23 ceived with respect to the considerations de-
24 scribed under paragraph (4);

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

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

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

9 “(A) IN GENERAL.—Not earlier than the
10 15 days after posting the final determination
11 and the justification statement under paragraph
12 (5) with respect to a postal facility, the Postal
13 Service may close or consolidate the postal facil-
14 ity.

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

24 “(C) LIMITATIONS.—During the 3-year pe-
25 riod beginning on the date of enactment of the

1 21st Century Postal Service Act of 2012, the
2 Postal Service may not close or consolidate a
3 postal facility if the closing or consolidation
4 prevents the Postal Service from maintaining
5 service standards as required under section 201
6 of the 21st Century Postal Service Act of 2012.

7 “(7) REVIEW BY POSTAL REGULATORY COMMIS-
8 SION.—In accordance with section 3662—

9 “(A) an interested person may lodge a
10 complaint with the Postal Regulatory Commis-
11 sion if the person believes that the closure or
12 consolidation of a postal facility is not in con-
13 formance with applicable service standards, in-
14 cluding the service standards established under
15 section 201 of the 21st Century Postal Service
16 Act of 2012; and

17 “(B) if the Postal Regulatory Commission
18 finds a complaint lodged by an interested per-
19 son to be justified, the Commission shall order
20 the Postal Service to take appropriate action to
21 achieve compliance with applicable service
22 standards, including the service standards es-
23 tablished under section 201 of the 21st Century
24 Postal Service Act of 2012, or to remedy the ef-
25 fects of any noncompliance.

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

6 “(A) is updated routinely; and

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

10 “(9) **PROTECTION OF CERTAIN INFORMA-**
11 **TION.**—Nothing in this subsection may be construed
12 to require the Postal Service to disclose—

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

15 “(B) any information relating to the secu-
16 rity of a postal facility.”.

17 **SEC. 203. ESTABLISHMENT OF RETAIL SERVICE STAND-**
18 **ARDS.**

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

22 (1) purchase postage;

23 (2) enter packages into the mail; and

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

1 (b) ESTABLISHMENT OF RETAIL SERVICE STAND-
2 ARDS.—Not later than 6 months after the date of enact-
3 ment of this Act, the Postal Service shall exercise its au-
4 thority under section 3691 of title 39, United States Code,
5 to establish service standards for market-dominant prod-
6 ucts in order to guarantee customers of the Postal Service
7 regular and effective access to retail postal services nation-
8 wide (including in territories and possessions of the United
9 States) on a reasonable basis.

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

12 (1) be consistent with—

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

16 (B) the contents of the plan developed
17 under section 302 of the Postal Accountability
18 and Enhancement Act of 2006 (39 U.S.C. 3691
19 note), and any updated or revised plan devel-
20 oped under section 204 of this Act; and

21 (2) take into account factors including—

22 (A) geography, including the establishment
23 of standards for the proximity of retail postal
24 services to postal customers, including a consid-
25 eration of the reasonable maximum time a post-

1 al customer should expect to travel to access a
2 postal retail location;

3 (B) the importance of facilitating commu-
4 nications for communities with limited or no ac-
5 cess to Internet, broadband, or cellular tele-
6 phone services;

7 (C) population, including population den-
8 sity, demographic factors such as the age, dis-
9 ability status, and degree of poverty of individ-
10 uals in the area to be served by a location pro-
11 viding postal retail services, and other factors
12 that may impact the ability of postal customers,
13 including businesses, to travel to a postal retail
14 location;

15 (D) the feasibility of offering retail access
16 to postal services in addition to post offices, as
17 described in section 302(d) of the Postal Ac-
18 countability and Enhancement Act of 2006 (39
19 U.S.C. 3691 note);

20 (E) the requirement that the Postal Serv-
21 ice serve remote areas and communities with
22 transportation challenges, including commu-
23 nities in which the effects of inclement weather
24 or other natural conditions might obstruct or

1 otherwise impede access to retail postal serv-
2 ices; and

3 (F) the ability of postal customers to ac-
4 cess retail postal services in areas that were
5 served by a post office that was closed or con-
6 solidated during the 1 year period ending on
7 the date of enactment of this Act.

8 **SEC. 204. EXPANDED RETAIL ACCESS.**

9 (a) UPDATED PLAN.—Not later than 1 year after the
10 date of enactment of this Act, the Postal Service shall,
11 in consultation with the Commission, develop and submit
12 to Congress a revised and updated version of the plan to
13 expand and market retail access to postal services required
14 under section 302(d) of the Postal Accountability and En-
15 hancement Act of 2006 (39 U.S.C. 3691 note).

16 (b) CONTENTS.—The plan required under subsection
17 (a) shall—

18 (1) include a consideration of methods to ex-
19 pand and market retail access to postal services de-
20 scribed in paragraphs (1) through (8) of section
21 302(d) of the Postal Accountability and Enhance-
22 ment Act of 2006 (39 U.S.C. 3691 note);

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

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

5 (4) ensure that—

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

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

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

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

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

20 **SEC. 205. PRESERVING COMMUNITY POST OFFICES.**

21 (a) **CLOSING POST OFFICES.**—Section 404(d) of title
22 39, United States Code, is amended to read as follows:

23 “(d)(1) The Postal Service, prior to making a deter-
24 mination under subsection (a)(3) of this section as to the

1 necessity for the closing or consolidation of any post office,
2 shall—

3 “(A) consider whether—

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

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

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

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

13 “(iii) to procure a contract providing full,
14 or less than full, retail services in the commu-
15 nity served by the post office; or

16 “(iv) to provide postal services to the com-
17 munity served by the post office through a rural
18 carrier;

19 “(B) provide postal customers served by the
20 post office an opportunity to participate in a non-
21 binding survey conducted by mail on a preference for
22 an option described in subparagraph (A); and

23 “(C) if the Postal Service determines to close or
24 consolidate the post office, provide adequate notice
25 of its intention to close or consolidate such post of-

1 fice at least 60 days prior to the proposed date of
2 such closing or consolidation to persons served by
3 such post office to ensure that such persons will
4 have an opportunity to present their views.

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

7 “(A) shall consider—

8 “(i) the effect of such closing or consolida-
9 tion on the community served by such post of-
10 fice;

11 “(ii) the effect of such closing or consolida-
12 tion on employees of the Postal Service em-
13 ployed at such office;

14 “(iii) whether such closing or consolidation
15 is consistent with the policy of the Government,
16 as stated in section 101(b) of this title, that the
17 Postal Service shall provide a maximum degree
18 of effective and regular postal services to rural
19 areas, communities, and small towns where post
20 offices are not self-sustaining;

21 “(iv) the extent to which the community
22 served by the post office lacks access to Inter-
23 net, broadband and cellular phone service;

1 “(v) the economic savings to the Postal
2 Service resulting from such closing or consolida-
3 tion; and

4 “(vi) such other factors as the Postal Serv-
5 ice determines are necessary; and

6 “(B) may not consider compliance with any
7 provision of the Occupational Safety and Health Act
8 of 1970 (29 U.S.C. 651 et seq.).

9 “(3) Any determination of the Postal Service to close
10 or consolidate a post office shall be in writing and shall
11 include the findings of the Postal Service with respect to
12 the considerations required to be made under paragraph
13 (2) of this subsection. Such determination and findings
14 shall be made available to persons served by such post of-
15 fice.

16 “(4) The Postal Service shall take no action to close
17 or consolidate a post office until 60 days after its written
18 determination is made available to persons served by such
19 post office.

20 “(5) A determination of the Postal Service to close
21 or consolidate any post office, station, or branch may be
22 appealed by any person served by such office, station, or
23 branch to the Postal Regulatory Commission within 30
24 days after such determination is made available to such
25 person. The Commission shall review such determination

1 on the basis of the record before the Postal Service in the
2 making of such determination. The Commission shall
3 make a determination based upon such review no later
4 than 120 days after receiving any appeal under this para-
5 graph. The Commission shall set aside any determination,
6 findings, and conclusions found to be—

7 “(A) arbitrary, capricious, an abuse of discre-
8 tion, or otherwise not in accordance with the law;

9 “(B) without observance of procedure required
10 by law;

11 “(C) not in conformance with the retail service
12 standards established under section 203 of the 21st
13 Century Postal Service Act of 2012; or

14 “(D) unsupported by substantial evidence on
15 the record.

16 The Commission may affirm the determination of the
17 Postal Service or order that the entire matter be returned
18 for further consideration, but the Commission may not
19 modify the determination of the Postal Service. The Com-
20 mission may suspend the effectiveness of the determina-
21 tion of the Postal Service until the final disposition of the
22 appeal. The provisions of section 556, section 557, and
23 chapter 7 of title 5 shall not apply to any review carried
24 out by the Commission under this paragraph.

1 “(6) For purposes of paragraph (5), any appeal re-
2 ceived by the Commission shall—

3 “(A) if sent to the Commission through the
4 mails, be considered to have been received on the
5 date of the Postal Service postmark on the envelope
6 or other cover in which such appeal is mailed; or

7 “(B) if otherwise lawfully delivered to the Com-
8 mission, be considered to have been received on the
9 date determined based on any appropriate docu-
10 mentation or other indicia (as determined under reg-
11 ulations of the Commission).

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

14 “(A) of an interested person to lodge a com-
15 plaint with the Postal Regulatory Commission under
16 section 3662 concerning nonconformance with serv-
17 ice standards, including the retail service standards
18 established under section 203 of the 21st Century
19 Postal Service Act of 2012; or

20 “(B) of the Postal Regulatory Commission, if
21 the Commission finds a complaint lodged by an in-
22 terested person to be justified, to order the Postal
23 Service to take appropriate action to achieve compli-
24 ance with applicable requirements, including the re-
25 tail service standards established under section 203

1 of the 21st Century Postal Service Act of 2012, or
2 to remedy the effects of any noncompliance.”.

3 (b) PROHIBITION ON CLOSING POST OFFICES.—Not-
4 withstanding section 404(d) of title 39, United States
5 Code, as amended by this section, during the period begin-
6 ning on the date of enactment of this Act and ending on
7 the date on which the Postal Service establishes the retail
8 service standards under section 203 of this Act, the Postal
9 Service may not close a post office, except as required for
10 the immediate protection of health and safety.

11 (c) HISTORIC POST OFFICES.—Section 404(d) of
12 title 39, United States Code, as amended by this section,
13 is amended by adding at the end the following:

14 “(8)(A) In this paragraph, the term ‘historic post of-
15 fice building’ means a post office building that is a cer-
16 tified historic structure, as that term is defined in section
17 47(c)(3) of the Internal Revenue Code of 1986.

18 “(B) In the case of a post office that has been closed
19 and that is located within a historic post office building,
20 the Postal Service shall provide Federal agencies and
21 State and local government entities the opportunity to
22 lease the historic post office building, if—

23 “(i) the Postal Service is unable to sell the
24 building at an acceptable price within a reasonable

1 period of time after the post office has been closed;
2 and

3 “(ii) the Federal agency or State or local gov-
4 ernment entity that leases the building agrees to—

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

7 “(II) assume responsibility for the mainte-
8 nance of the historic post office building; and

9 “(III) make the historic post office build-
10 ing available for public use.”.

11 **SEC. 206. AREA AND DISTRICT OFFICE STRUCTURE.**

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

18 (1) a comprehensive strategic plan to govern
19 decisions relating to area and district office struc-
20 ture that considers efficiency, costs, redundancies,
21 mail volume, technological advancements, oper-
22 ational considerations, and other issues that may be
23 relevant to establishing an effective area and district
24 office structure; and

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

6 (A) be cost effective; and

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

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

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

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

18 (3) relocate area offices to headquarters.

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

22 (d) STATE LIAISON.—If the Postal Service does not
23 maintain a district office in a State, the Postal Service
24 shall designate at least 1 employee of the district office
25 responsible for Postal Service operations in the State to

1 represent the needs of Postal Service customers in the
2 State.

3 **SEC. 207. CONVERSION OF DOOR DELIVERY POINTS.**

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

7 **“§ 3692. Conversion of door delivery points**

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

10 “(1) CENTRALIZED DELIVERY POINT.—The
11 term ‘centralized delivery point’ means a group or
12 cluster of mail receptacles at 1 delivery point that is
13 within reasonable proximity of the street address as-
14 sociated with the delivery point.

15 “(2) CURBLINE DELIVERY POINT.—The term
16 ‘curbline delivery point’ means a delivery point that
17 is—

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

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

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

1 “(4) SIDEWALK DELIVERY POINT.—The term
2 ‘sidewalk delivery point’ means a delivery point on a
3 sidewalk adjacent to the street address associated
4 with the delivery point.

5 “(b) CONVERSION.—Except as provided in subsection
6 (c), and in accordance with the solvency plan required
7 under section 401 of the 21st Century Postal Service Act
8 of 2012 and standards established by the Postal Service,
9 the Postal Service is authorized to, to the maximum extent
10 feasible, convert door delivery points to—

- 11 “(1) curblines delivery points;
12 “(2) sidewalk delivery points; or
13 “(3) centralized delivery points.

14 “(c) EXCEPTIONS.—

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

- 18 “(A) a physical hardship of a customer;
19 “(B) weather, in a geographic area where
20 snow removal efforts could obstruct access to
21 mailboxes near a road;
22 “(C) circumstances in an urban area that
23 preclude efficient use of curblines delivery points;

1 “(D) other exceptional circumstances, as
2 determined in accordance with regulations
3 issued by the Postal Service; or

4 “(E) other circumstances in which the
5 Postal Service determines that alternatives to
6 door delivery would not be practical or cost ef-
7 fective.

8 “(2) NEW DOOR DELIVERY POINTS.—The Post-
9 al Service may provide door delivery to a new deliv-
10 ery point in a delivery area that received door deliv-
11 ery on the day before the date of enactment of this
12 section, if the delivery point is established before the
13 delivery area is converted from door delivery under
14 subsection (b).

15 “(d) SOLICITATION OF COMMENTS.—The Postal
16 Service shall establish procedures to solicit, consider, and
17 respond to input from individuals affected by a conversion
18 under this section.

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

22 “(f) REPORT.—Not later than 60 days after the end
23 of each fiscal year through fiscal year 2015, the Postal
24 Service shall submit to Congress and the Inspector Gen-

1 eral of the Postal Service a report on the implementation
2 of this section during the preceding fiscal year that—

3 “(1) includes the number of door delivery
4 points—

5 “(A) that existed at the end of the fiscal
6 year preceding the preceding fiscal year;

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

9 “(C) that, during the preceding fiscal year,
10 converted to—

11 “(i) curblineline delivery points or side-
12 walk delivery points;

13 “(ii) centralized delivery points; and

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

15 and

16 “(D) for which door delivery was continued
17 under subsection (c)(1);

18 “(2) estimates any cost savings, revenue loss, or
19 decline in the value of mail resulting from the con-
20 versions from door delivery that occurred during the
21 preceding fiscal year;

22 “(3) describes the progress of the Postal Serv-
23 ice toward achieving the conversions authorized
24 under subsection (b); and

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

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

“3692. Conversion of door delivery points.”.

6 **SEC. 208. LIMITATIONS ON CHANGES TO MAIL DELIVERY**
7 **SCHEDULE.**

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

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

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

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

1 (1) identify customers and communities for
2 whom the change may have a disproportionate, neg-
3 ative impact, including the customers identified as
4 “particularly affected” in the Advisory Opinion on
5 Elimination of Saturday Delivery issued by the Com-
6 mission on March 24, 2011;

7 (2) develop, to the maximum extent possible,
8 measures to ameliorate any disproportionate, nega-
9 tive impact the change would have on customers and
10 communities identified under paragraph (1), includ-
11 ing, where appropriate, providing or expanding ac-
12 cess to mailboxes for periodical mailers on days on
13 which the Postal Service does not provide delivery;

14 (3) implement measures to increase revenue
15 and reduce costs, including the measures authorized
16 under the amendments made by sections 101, 102,
17 103, 207, and 211 of this Act;

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

24 (5) not earlier than 15 months after the date
25 of enactment of this Act and not later than 9

1 months before the effective date proposed by the
2 Postal Service for the change, submit a report on
3 the steps the Postal Service has taken to carry out
4 this subsection to—

5 (A) the Committee on Homeland Security
6 and Governmental Affairs of the Senate and the
7 Committee on Oversight and Government Re-
8 form of the House of Representatives;

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

11 (C) the Commission.

12 (c) REVIEW.—

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

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

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

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

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

23 (2) POSTAL REGULATORY COMMISSION.—

24 (A) REQUEST.—Not later than 6 months
25 before the proposed effective date of a change

1 in delivery schedule under subsection (a), the
2 Postal Service shall submit to the Commission
3 a request for an advisory opinion relating to the
4 change.

5 (B) ADVISORY OPINION.—

6 (i) IN GENERAL.—The Commission
7 shall—

8 (I) issue an advisory opinion with
9 respect to a request under subpara-
10 graph (A), in accordance with the
11 time limits for the issuance of advi-
12 sory opinions under section
13 3661(b)(2) of title 39, United States
14 Code, as amended by this Act; and

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

21 (ii) REQUIRED DETERMINATIONS.—

22 An advisory opinion under clause (i) shall
23 determine—

24 (I) whether the measures devel-
25 oped under subsection (b)(2) amelio-

1 rate any disproportionate, negative
2 impact that a change in schedule may
3 have on customers and communities
4 identified under subsection (b)(1); and
5 (II) based on the report sub-
6 mitted by the Comptroller General
7 under paragraph (1)—
8 (aa) whether the Postal
9 Service has implemented meas-
10 ures to increase revenue and re-
11 duce costs as required under sub-
12 section (b)(3);
13 (bb) whether the implemen-
14 tation of the measures described
15 in item (aa) has increased reve-
16 nues or reduced costs, or is pro-
17 jected to further increase reve-
18 nues or reduce costs in the fu-
19 ture; and
20 (cc) whether a change in
21 schedule under subsection (a)(2)
22 is necessary to allow the Postal
23 Service to achieve long-term sol-
24 vency.

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 solvency, without regard to
14 whether the Commission determines that the
15 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 at postal retail facilities or processing
4 facilities; or

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

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

10 (D) prohibit the collection or delivery of a
11 competitive mail product on a weekend, a recog-
12 nized Federal holiday, or any other specific day
13 of the week; or

14 (E) prohibit the Postal Service from exer-
15 cising its authority to make changes to proc-
16 essing or retail networks.

17 (2) PROHIBITION ON CONSECUTIVE DAYS WITH-
18 OUT MAIL DELIVERY.—The Postal Service shall en-
19 sure that, under any change in schedule under sub-
20 section (a)(2), at no time shall there be more than
21 2 consecutive days without mail delivery to street
22 addresses, including recognized Federal holidays.

23 (e) DEFINITION.—In this section, the term “long-
24 term solvency” means the ability of the Postal Service to
25 pay debts and meet expenses, including the ability to per-

1 form maintenance and repairs, make investments, and
2 maintain financial reserves, as necessary to fulfill the re-
3 quirements and comply with the policies of title 39, United
4 States Code, and other obligations of the Postal Service
5 over the long term.

6 **SEC. 209. TIME LIMITS FOR CONSIDERATION OF SERVICE**
7 **CHANGES.**

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

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

13 “(1) SUBMISSION OF PROPOSAL.—If the Postal
14 Service determines that there should be a change in
15 the nature of postal services relating to market-dom-
16 inant products that will generally affect service on a
17 nationwide or substantially nationwide basis, the
18 Postal Service shall submit a proposal to the Postal
19 Regulatory Commission requesting an advisory opin-
20 ion on the change.

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

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

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

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

6 “(ii) a date that the Postal Regu-
7 latory Commission and the Postal Service
8 may, not later than 1 week after the date
9 on which the Postal Regulatory Commis-
10 sion receives the proposal, determine joint-
11 ly.

12 “(3) RESPONSE TO OPINION.—The Postal Serv-
13 ice shall submit to the President and to Congress a
14 response to an advisory opinion issued under para-
15 graph (2) that includes—

16 “(A) a statement of whether the Postal
17 Service plans to modify the proposal to address
18 any concerns or implement any recommenda-
19 tions made by the Commission; and

20 “(B) for any concern that the Postal Serv-
21 ice determines not to address and any rec-
22 ommendation that the Postal Service deter-
23 mines not to implement, the reasons for the de-
24 termination.

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

4 “(A) on or after the date that is 30 days
5 after the date on which the Postal Service sub-
6 mits the response required under paragraph
7 (3);

8 “(B) on or after a date that the Postal
9 Regulatory Commission and the Postal Service
10 may, not later than 1 week after the date on
11 which the Postal Regulatory Commission re-
12 ceives a proposal under paragraph (2), deter-
13 mine jointly; or

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

16 “(i) the Postal Regulatory Commis-
17 sion fails to issue an advisory opinion on
18 or before the date described in paragraph
19 (2)(B); and

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

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

1 **SEC. 210. PUBLIC PROCEDURES FOR SIGNIFICANT**
2 **CHANGES TO MAILING SPECIFICATIONS.**

3 (a) NOTICE AND OPPORTUNITY FOR COMMENT RE-
4 QUIRED.—Effective on the date on which the Postal Serv-
5 ice issues a final rule under subsection (c), before making
6 a change to mailing specifications that could pose a sig-
7 nificant burden to the customers of the Postal Service and
8 that is not reviewed by the Commission, the Postal Service
9 shall—

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

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

15 (3) after considering any comments submitted
16 under paragraph (2) and making any modifications
17 to the proposed change that the Postal Service de-
18 termines are necessary, publish—

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

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

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

25 (i) the Postal Service; and

1 (ii) the customers of the Postal Serv-
2 ice that would be affected by the proposed
3 change; and

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

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

14 (1) change the mailing specifications by—

15 (A) issuing an interim final rule that—

16 (i) includes a finding by the Postal
17 Service that there is good cause for the in-
18 terim final rule;

19 (ii) provides an opportunity for the
20 submission of written comments on the in-
21 terim final rule for a period of not less
22 than 30 days; and

23 (iii) establishes an effective date for
24 the interim final rule that is not earlier

1 than 30 days after the date on which the
2 interim final rule is issued; and

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

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

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

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

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

16 (A) publish a notice of proposed rule-
17 making in the Federal Register that includes
18 proposed definitions of the terms “mailing spec-
19 ifications” and “significant burden”;

20 (B) provide an opportunity for the submis-
21 sion of written comments concerning the pro-
22 posed change for a period of not less than 30
23 days; and

24 (C) publish—

- 1 (i) the rule in final form in the Fed-
2 eral Register; and
3 (ii) responses to the comments sub-
4 mitted under subparagraph (B).

5 **SEC. 211. NONPOSTAL PRODUCTS AND SERVICES.**

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

8 (1) in subsection (a)—

9 (A) by redesignating paragraphs (6)
10 through (8) as paragraphs (7) through (9), re-
11 spectively; and

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

14 “(6) after the date of enactment of the 21st
15 Century Postal Service Act of 2012, and except as
16 provided in subsection (e), to provide other services
17 that are not postal services, after the Postal Regu-
18 latory Commission—

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

21 “(i) uses the processing, transpor-
22 tation, delivery, retail network, or tech-
23 nology of the Postal Service;

1 “(ii) is consistent with the public in-
2 terest and a demonstrated or potential
3 public demand for—

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

7 “(II) the Postal Service to pro-
8 vide the services in addition to an-
9 other entity providing the services;

10 “(iii) would not create unfair competi-
11 tion with the private sector, taking into
12 consideration the extent to which the Post-
13 al Service will not, either by legal obliga-
14 tion or voluntarily, comply with any State
15 or local requirements that are generally ap-
16 plicable to persons that provide the serv-
17 ices;

18 “(iv) will be undertaken in accordance
19 with all Federal laws generally applicable
20 to the provision of such services; and

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

1 “(B) for services that the Postal Regu-
2 latory Commission determines meet the criteria
3 under subparagraph (A), classifies each such
4 service as a market-dominant product, competi-
5 tive product, or experimental product, as re-
6 quired under chapter 36 of title 39, United
7 States Code;” and

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

11 (b) COMPLAINTS.—Section 3662(a) of title 39,
12 United States Code, is amended by inserting
13 “404(a)(6)(A),” after “403(c),”.

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

23 **SEC. 212. CHIEF INNOVATION OFFICER; INNOVATION**
24 **STRATEGY.**

25 (a) CHIEF INNOVATION OFFICER.—

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

4 **“§ 209. Chief innovation officer**

5 “(a) ESTABLISHMENT.—There shall be in the Postal
6 Service a Chief Innovation Officer appointed by the Post-
7 master General.

8 “(b) QUALIFICATIONS.—The Chief Innovation Offi-
9 cer shall have proven expertise and a record of accomplish-
10 ment in areas such as—

11 “(1) the postal and shipping industry;

12 “(2) innovative product research and develop-
13 ment;

14 “(3) brand marketing strategy;

15 “(4) new and emerging technology, including
16 communications technology; or

17 “(5) business process management.

18 “(c) DUTIES.—The Chief Innovation Officer shall
19 lead the development and implementation of—

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

1 “(2) nonpostal products and services authorized
2 under section 404(a)(6) that have the potential to
3 improve the net financial position of the Postal Serv-
4 ice.

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

9 “(e) CONDITION.—

10 “(1) IN GENERAL.—The Chief Innovation Offi-
11 cer may not hold any other office or position in the
12 Postal Service while serving as Chief Innovation Of-
13 ficer.

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

20 “(2) TECHNICAL AND CONFORMING AMEND-
21 MENT.—The table of sections for chapter 2 of title
22 39, United States Code, is amended by adding at
23 the end the following:

“209. Chief innovation officer.”.

24 “(b) INNOVATION STRATEGY.—

1 (1) INITIAL REPORT ON INNOVATION STRAT-
2 EGY.—

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

13 (i) the Committee on Homeland Secu-
14 rity and Governmental Affairs of the Sen-
15 ate; and

16 (ii) the Committee on Oversight and
17 Government Reform of the House of Rep-
18 resentatives.

19 (B) MATTERS TO BE ADDRESSED.—At a
20 minimum, the report on innovation strategy re-
21 quired under subparagraph (A) shall describe—

22 (i) the specific innovative postal and
23 nonpostal products and services to be de-
24 veloped and offered by the Postal Service,
25 including—

1 (I) the nature of the market de-
2 mand to be satisfied by each product
3 or service; and

4 (II) the estimated date by which
5 each product or service will be intro-
6 duced;

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

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

11 (iv) the anticipated revenues and prof-
12 its to be generated by each product or
13 service;

14 (v) the likelihood of success of each
15 product or service and the risks associated
16 with the development and sale of each
17 product or service;

18 (vi) the trends anticipated in market
19 conditions that may affect the success of
20 each product or service during the 5-year
21 period beginning on the date of the sub-
22 mission of the report under subparagraph
23 (A);

24 (vii) any innovations designed to im-
25 prove the net financial position of the

1 Postal Service, other than the offering of
2 new products and services; and

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

6 (2) ANNUAL REPORT.—

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

15 (i) the Committee on Homeland Secu-
16 rity and Governmental Affairs of the Sen-
17 ate; and

18 (ii) the Committee on Oversight and
19 Government Reform of the House of Rep-
20 resentatives.

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

1 (i) an update of the initial report on
2 innovation strategy submitted under para-
3 graph (1);

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

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

13 (I) the revenue generated by each
14 product or service developed in ac-
15 cordance with the innovation strategy
16 under this section and the cost of de-
17 veloping and offering each product or
18 service for the preceding year;

19 (II) trends in each market in
20 which a product or service is intended
21 to satisfy a demand;

22 (III) each product or service
23 identified in the innovation strategy
24 that is to be discontinued, the date on
25 which each discontinuance will occur,

1 and the reasons for each discontinu-
2 ance;

3 (IV) each alteration that the
4 Postal Service plans to make to a
5 product or service identified in the in-
6 novation strategy to address changing
7 market conditions and an explanation
8 of how each alteration will ensure the
9 success of the product or service;

10 (V) the performance of innova-
11 tions other than new products and
12 services that are designed to improve
13 the net financial position of the Postal
14 Service; and

15 (VI) the performance of the inno-
16 vation strategy according to the
17 metrics described in paragraph
18 (1)(B)(viii).

19 **SEC. 213. STRATEGIC ADVISORY COMMISSION ON POSTAL**
20 **SERVICE SOLVENCY AND INNOVATION.**

21 (a) ESTABLISHMENT.—

22 (1) IN GENERAL.—There is established in the
23 Postal Service a Strategic Advisory Commission on
24 Postal Service Solvency and Innovation (in this sec-
25 tion referred to as the “Advisory Commission”).

1 (iii) the Speaker of the House of Rep-
2 resentatives; and

3 (iv) the minority leader of the House
4 of Representatives.

5 (2) QUALIFICATIONS.—Members of the Advi-
6 sory Commission shall be prominent citizens hav-
7 ing—

8 (A) significant depth of experience in such
9 fields as business and public administration;

10 (B) a reputation for innovative thinking;

11 (C) familiarity with new and emerging
12 technologies; and

13 (D) experience with revitalizing organiza-
14 tions that experienced significant financial chal-
15 lenges or other challenges.

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

23 (4) DEADLINE FOR APPOINTMENT.—Each
24 member of the Advisory Commission shall be ap-

1 pointed not later than 45 days after the date of en-
2 actment of this Act.

3 (5) MEETINGS; QUORUM; VACANCIES.—

4 (A) MEETINGS.—The Advisory Commis-
5 sion shall meet at the call of the Chairperson or
6 a majority of the members of the Advisory
7 Commission.

8 (B) QUORUM.—4 members of the Advisory
9 Commission shall constitute a quorum.

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

15 (d) DUTIES AND POWERS.—

16 (1) DUTIES.—The Advisory Commission
17 shall—

18 (A) study matters that the Advisory Com-
19 mission determines are necessary and appro-
20 priate to develop a strategic blueprint for the
21 long-term solvency of the Postal Service, includ-
22 ing—

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

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

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

6 (iv) innovative services that postal
7 services in foreign countries have offered,
8 including services that respond to the in-
9 creasing use of electronic means of commu-
10 nication; and

11 (v) the governance structure, manage-
12 ment structure, and management of the
13 Postal Service, including—

14 (I) the appropriate method of ap-
15 pointment, qualifications, duties, and
16 compensation for senior officials of
17 the Postal Service, including the Post-
18 master General; and

19 (II) the number and functions of
20 senior officials of the Postal Service
21 and the number of levels of manage-
22 ment of the Postal Service; and

23 (B) submit the report required under sub-
24 section (f).

1 (2) HEARINGS.—The Advisory Commission may
2 hold such hearings, take such testimony, and receive
3 such evidence as is necessary to carry out this sec-
4 tion.

5 (3) ACCESS TO INFORMATION.—The Advisory
6 Commission may secure directly from the Postal
7 Service, the Board of Governors, the Postal Regu-
8 latory Commission, and any other Federal depart-
9 ment or agency such information as the Advisory
10 Commission considers necessary to carry out this
11 section. Upon request of the Chairperson of the Ad-
12 visory Commission, the head of the department or
13 agency shall furnish the information described in the
14 preceding sentence to the Advisory Commission.

15 (e) PERSONNEL MATTERS.—

16 (1) ADVISORY COMMISSION MEMBERS.—

17 (A) COMPENSATION OF MEMBERS.—Each
18 member of the Advisory Commission shall be
19 compensated at a rate equal to the daily equiva-
20 lent of the annual rate of basic pay prescribed
21 for level IV of the Executive Schedule under
22 section 5315 of title 5, United States Code, for
23 each day during which the member is engaged
24 in the actual performance of the duties of the
25 Advisory Commission.

1 (B) TRAVEL EXPENSES.—Members of the
2 Advisory Commission shall be allowed travel ex-
3 penses, including per diem in lieu of subsist-
4 ence, at rates authorized for employees serving
5 intermittently in the Government service under
6 section 5703 of title 5, United States Code,
7 while away from their homes or regular places
8 of business in the performance of services for
9 the Advisory Commission.

10 (2) STAFF.—

11 (A) APPOINTMENT AND COMPENSATION.—
12 The Chairperson, in accordance with rules
13 agreed upon by the Advisory Commission, shall
14 appoint and fix the compensation of an execu-
15 tive director and such other personnel as may
16 be necessary to enable the Advisory Commission
17 to carry out the functions of the Advisory Com-
18 mission, without regard to the provisions of title
19 5, United States Code, governing appointments
20 in the competitive service, and without regard
21 to the provisions of chapter 51 and subchapter
22 III of chapter 53 of such title relating to classi-
23 fication of positions and General Schedule pay
24 rates, except that a rate of pay fixed under this
25 subsection may not exceed the rate payable for

1 level V of the Executive Schedule under section
2 5316 of title 5, United States Code.

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

9 (C) CONSULTANT SERVICES.—The Advi-
10 sory Commission may procure the services of
11 experts and consultants in accordance with sec-
12 tion 3109 of title 5, United States Code, at
13 rates for individuals that do not exceed the
14 daily equivalent of the annual rate of basic pay
15 prescribed for level IV of the Executive Sched-
16 ule under section 5315 of such title.

17 (f) STRATEGIC BLUEPRINT FOR LONG-TERM SOL-
18 VENCY.—

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

23 (A) the President;

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

1 (C) the Committee on Oversight and Gov-
2 ernment Reform of the House of Representa-
3 tives;

4 (D) the Board of Governors; and

5 (E) the Postmaster General.

6 (2) CONTENTS.—The report submitted under
7 paragraph (1) shall contain a strategic blueprint for
8 the long-term solvency of the Postal Service that in-
9 cludes—

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

13 (B) an assessment of potential future busi-
14 ness models for the Postal Service, including an
15 evaluation of the appropriate balance between—

16 (i) necessary reductions in costs and
17 services; and

18 (ii) additional opportunities for
19 growth and revenue;

20 (C) a strategy for addressing significant
21 current and future liabilities;

22 (D) identification of opportunities for fur-
23 ther reductions in costs;

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

1 (F) a strategy for future growth;

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

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

8 (g) TERMINATION.—The Advisory Commission shall
9 terminate 90 days after the date on which the Advisory
10 Commission submits the report under subsection (f).

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

15 **TITLE III—FEDERAL EMPLOY-**
16 **EES' COMPENSATION ACT**

17 **SEC. 301. SHORT TITLE; REFERENCES.**

18 (a) SHORT TITLE.—This title may be cited as the
19 “Workers’ Compensation Reform Act of 2012”.

20 (b) REFERENCES.—Except as otherwise expressly
21 provided, whenever in this title an amendment or repeal
22 is expressed in terms of an amendment to, or a repeal
23 of, a section or other provision, the reference shall be con-
24 sidered to be made to a section or other provision of title
25 5, United States Code.

1 **SEC. 302. FEDERAL WORKERS COMPENSATION REFORMS**
2 **FOR RETIREMENT-AGE EMPLOYEES.**

3 (a) CONVERSION OF ENTITLEMENT AT RETIREMENT
4 AGE.—

5 (1) DEFINITIONS.—Section 8101 is amended—

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

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

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

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

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

16 “(22) ‘covered claim for total disability’ means
17 a claim for a period of total disability that com-
18 menced before the date of enactment of the Work-
19 ers’ Compensation Reform Act of 2012;

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

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

26 “(A) who—

1 “(i) is eligible to receive continuous
2 periodic compensation for total disability
3 under section 8105 on the date of enact-
4 ment of the Workers’ Compensation Re-
5 form Act of 2012; and

6 “(ii) meets the criteria under section
7 8105(c);

8 “(B) who, on the date of enactment of the
9 Workers’ Compensation Reform Act of 2012—

10 “(i) is eligible to receive continuous
11 periodic compensation for total disability
12 under section 8105; and

13 “(ii) has sustained a currently irre-
14 versible severe mental or physical disability
15 for which the Secretary of Labor has au-
16 thorized, for at least the 1-year period end-
17 ing on the date of enactment of the Work-
18 ers’ Compensation Reform Act of 2012,
19 constant in-home care or custodial care,
20 such as placement in a nursing home; or

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

24 “(i) for not less than the 3-year pe-
25 riod ending on the date of enactment of

1 the Workers' Compensation Reform Act of
2 2012; or

3 “(ii) if the individual became eligible
4 to receive continuous periodic compensa-
5 tion for total disability under section 8105
6 during the period beginning on the date
7 that is 3 years before the date of enact-
8 ment of the Workers' Compensation Re-
9 form Act of 2012 and ending on such date
10 of enactment, for not less than the 3-year
11 period beginning on the date on which the
12 individual became eligible.”.

13 (2) TOTAL DISABILITY.—Section 8105 is
14 amended—

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

18 (B) by redesignating subsection (b) as sub-
19 section (c); and

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

22 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-
23 MENT AGE.—

24 “(1) IN GENERAL.—Except as provided in para-
25 graph (2), the basic compensation for total disability

1 for an employee who has attained retirement age
2 shall be 50 percent of the monthly pay of the em-
3 ployee.

4 “(2) EXCEPTIONS.—

5 “(A) COVERED RECIPIENTS WHO ARE RE-
6 TIREMENT AGE OR HAVE AN EXEMPT DIS-
7 ABILITY CONDITION.—Paragraph (1) shall not
8 apply to a covered claim for total disability by
9 an employee if the employee—

10 “(i) on the date of enactment of the
11 Workers’ Compensation Reform Act of
12 2012, has attained retirement age; or

13 “(ii) is an individual who has an ex-
14 empt disability condition.

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

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

1 “(ii) the date that is 3 years after the
2 date of enactment of the Workers’ Com-
3 pensation Reform Act of 2012.”.

4 (3) PARTIAL DISABILITY.—Section 8106 is
5 amended—

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

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

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

13 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-
14 MENT AGE.—

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

22 “(2) EXCEPTIONS.—

23 “(A) COVERED RECIPIENTS WHO ARE RE-
24 TIREMENT AGE.—Paragraph (1) shall not apply
25 to a covered claim for partial disability by an

1 employee if, on the date of enactment of the
2 Workers' Compensation Reform Act of 2012,
3 the employee has attained retirement age.

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

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

13 “(ii) the date that is 3 years after the
14 date of enactment of the Workers' Com-
15 pensation Reform Act of 2012.”.

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

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

18 (1) by redesignating subsection (b) as sub-
19 section (c); and

20 (2) by inserting after subsection (a) the fol-
21 lowing:

22 “(b) TERMINATION OF AUGMENTED COMPENSA-
23 TION.—

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

4 “(2) EXCEPTIONS.—

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

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

11 “(ii) the employee shall receive aug-
12 mented compensation under subsection (c)
13 until the date that is 3 years after the date
14 of enactment of the Workers’ Compensa-
15 tion Reform Act of 2012 if the employee is
16 not an employee described in clause (i).

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

23 “(C) PERMANENT DISABILITY COM-
24 PENSATED BY A SCHEDULE.—For a claim for a
25 permanent disability described in section

1 8107(a) by an employee that commenced before
2 the date of enactment of the Workers' Com-
3 pensation Reform Act of 2012, the employee
4 shall receive augmented compensation under
5 subsection (c).”.

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

8 (1) in subsection (a)—

9 (A) by inserting “subsections (b) and (c)
10 and” before “section 8138”;

11 (B) by striking “including augmented com-
12 pensation under section 8110 of this title but”;
13 and

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

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

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

20 “(b) EXCEPTIONS.—

21 “(1) COVERED DISABILITY CONDITION.—For a
22 covered claim for total disability by an employee, if
23 the employee is an individual who has an exempt
24 disability condition—

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

6 “(B) subsection (a) shall be applied by
7 substituting ‘75 percent’ for ‘66²/₃ percent’
8 each place it appears.

9 “(2) PARTIAL DISABILITY.—For a covered
10 claim for partial disability by an employee, until the
11 date that is 3 years after the date of enactment of
12 the Workers’ Compensation Reform Act of 2012—

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

18 “(B) subsection (a) shall be applied by
19 substituting ‘75 percent’ for ‘66²/₃ percent’
20 each place it appears.”; and

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

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

1 (1) in subsections (a) and (e), by striking “75
2 percent” each place it appears and inserting “66²/₃
3 percent (except as provided in subsection (g))”; and

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

5 “(g) If the death occurred before the date of enact-
6 ment of the Workers’ Compensation Reform Act of 2012,
7 subsection (a) and (e) shall be applied by substituting
8 ‘75 percent’ for ‘66²/₃ percent’ each place it appears.”.

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

11 (1) in subsection (b)(2)(B) by striking “75 per-
12 cent” and inserting “66²/₃ percent (except as pro-
13 vided in subsection (c))”;

14 (2) by redesignating subsection (c) as sub-
15 section (d); and

16 (3) by inserting after subsection (b) the fol-
17 lowing:

18 “(c) If the death occurred before the date of enact-
19 ment of the Workers’ Compensation Reform Act of 2012,
20 subsection (b)(2)(B) shall be applied by substituting ‘75
21 percent’ for ‘66²/₃ percent’.”.

22 **SEC. 304. SCHEDULE COMPENSATION PAYMENTS.**

23 Section 8107 is amended—

1 (1) in subsection (a), by striking “at the rate
2 of $66\frac{2}{3}$ 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 $66\frac{2}{3}$ 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 2012 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 2012, 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 earlier 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 earlier 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) EMPLOYEES’ COMPENSATION FUND.—Section
16 8147 is amended by adding at the end:

17 “(d) Notwithstanding subsection (b), any benefits or
18 other payments paid to or on behalf of an employee under
19 this subchapter or any extension or application thereof for
20 a recurrence of injury, consequential injury, aggravation
21 of injury, or increase in percentage of impairment to a
22 member for which compensation is provided under the
23 schedule under section 8107 suffered in a permanent posi-
24 tion with an agency or instrumentality of the United
25 States while the employment with the agency or instru-

1 mentality is covered under an assisted reemployment
2 agreement entered into under section 8104(d) shall not
3 be included in total cost of benefits and other payments
4 in the statement provided to the agency or instrumentality
5 under subsection (b) if the injury was originally incurred
6 in a position not covered by an assisted reemployment
7 agreement.”.

8 (c) TERMINATION OF VOCATIONAL REHABILITATION
9 REQUIREMENT AFTER RETIREMENT AGE.—Section
10 8113(b) is amended by adding at the end the following:
11 “An individual who has attained retirement age may not
12 be required to undergo vocational rehabilitation.”.

13 (d) MANDATORY BENEFIT REDUCTION FOR NON-
14 COMPLIANCE.—Section 8113(b) is amended by striking
15 “may reduce” and inserting “shall reduce”.

16 (e) TECHNICAL AND CONFORMING AMENDMENTS.—

17 (1) IN GENERAL.—Subchapter III of chapter
18 15 of title 31, United States Code, is amended by
19 adding at the end the following:

20 **“§ 1538. Authorization for assisted reemployment**

21 “Funds may be transferred from the Employees’
22 Compensation Fund established under section 8147 of
23 title 5 to the applicable appropriations account for an
24 agency or instrumentality of any branch of the Federal
25 Government for the purposes of reimbursing the agency

1 or instrumentality in accordance with an assisted reem-
2 ployment agreement entered into under section 8104 of
3 title 5.”.

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

“1538. Authorization for assisted reemployment.”.

8 **SEC. 306. REPORTING REQUIREMENTS.**

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

11 **“§ 8106a. Reporting requirements**

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

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

16 “(2) has not attained retirement age.

17 “(b) AUTHORITY.—The Secretary of Labor shall re-
18 quire an employee receiving compensation to report the
19 earnings of the employee receiving compensation from em-
20 ployment or self-employment, by affidavit or otherwise, in
21 the manner and at the times the Secretary specifies.

22 “(c) CONTENTS.—An employee receiving compensa-
23 tion shall include in a report required under subsection
24 (a) the value of housing, board, lodging, and other advan-
25 tages which are part of the earnings of the employee re-

1 ceiving compensation in employment or self-employment
2 and the value of which can be estimated.

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

4 “(1) IN GENERAL.—An employee receiving com-
5 pensation who fails to make an affidavit or other re-
6 port required under subsection (b) or who knowingly
7 omits or understates any part of the earnings of the
8 employee in such an affidavit or other report shall
9 forfeit the right to compensation with respect to any
10 period for which the report was required.

11 “(2) FORFEITED COMPENSATION.—Compensa-
12 tion forfeited under this subsection, if already paid
13 to the employee receiving compensation, shall be re-
14 covered by a deduction from the compensation pay-
15 able to the employee or otherwise recovered under
16 section 8129, unless recovery is waived under that
17 section.”.

18 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

19 The table of sections for chapter 81 is amended by insert-
20 ing after the item relating to section 8106 the following:

“8106a. Reporting requirements.”.

21 **SEC. 307. DISABILITY MANAGEMENT REVIEW; INDE-**
22 **PENDENT MEDICAL EXAMINATIONS.**

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

25 “(e) DISABILITY MANAGEMENT REVIEW.—

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

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

6 “(B) the term ‘disability management re-
7 view process’ means the disability management
8 review process established under paragraph
9 (2)(A).

10 “(2) ESTABLISHMENT.—The Secretary of
11 Labor shall—

12 “(A) establish a disability management re-
13 view process for the purpose of certifying and
14 monitoring the disability status and extent of
15 injury of each covered employee; and

16 “(B) promulgate regulations for the ad-
17 ministration of the disability management re-
18 view process.

19 “(3) PHYSICAL EXAMINATIONS REQUIRED.—
20 Under the disability management review process, the
21 Secretary of Labor shall periodically require covered
22 employees to submit to physical examinations under
23 subsection (a) by physicians selected by the Sec-
24 retary. A physician conducting a physical examina-
25 tion of a covered employee shall submit to the Sec-

1 retary a report regarding the nature and extent of
2 the injury to and disability of the covered employee.

3 “(4) FREQUENCY.—

4 “(A) IN GENERAL.—The regulations pro-
5 mulgated under paragraph (2)(B) shall specify
6 the process and criteria for determining when
7 and how frequently a physical examination
8 should be conducted for a covered employee.

9 “(B) MINIMUM FREQUENCY.—

10 “(i) INITIAL.—An initial physical ex-
11 amination shall be conducted not more
12 than a brief period after the date on which
13 a covered employee has been in continuous
14 receipt of compensation for total disability
15 under section 8015 for 6 months.

16 “(ii) SUBSEQUENT EXAMINATIONS.—
17 After the initial physical examination,
18 physical examinations of a covered em-
19 ployee shall be conducted not less than
20 once every 3 years.

21 “(5) EMPLOYING AGENCY OR INSTRUMEN-
22 TALITY REQUESTS.—

23 “(A) IN GENERAL.—The agency or instru-
24 mentality employing an employee who has made
25 a claim for compensation for total disability

1 under section 8105 may at any time submit a
2 request for the Secretary of Labor to promptly
3 require the employee to submit to a physical ex-
4 amination under this subsection.

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

8 “(i) the head of the agency or instru-
9 mentality;

10 “(ii) the Chief Human Capital Officer
11 of the agency or instrumentality; or

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

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

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

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

7 “(iii) copies of the materials relating
8 to the employee that are relevant to the of-
9 ficer’s determination and request, unless
10 the agency or instrumentality has a rea-
11 sonable basis for not providing the mate-
12 rials.

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

23 “(E) AFTER INITIAL EXAMINATION.—

24 “(i) IN GENERAL.—If the Secretary of
25 Labor receives a request under this para-

1 graph after an employee has undergone an
2 initial physical examination under para-
3 graph (4)(B)(i), the Secretary shall—

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

8 “(II) determine whether to re-
9 quire the physical examination of the
10 employee who is the subject of the re-
11 quest.

12 “(ii) NOT GRANTED.—If the Secretary
13 determines not to grant a request de-
14 scribed in clause (i), the Secretary shall
15 promptly notify the officer who made the
16 request and provide an explanation of the
17 reasons why the request was denied.”.

18 **SEC. 308. WAITING PERIOD.**

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

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

23 (2) in subsection (a)—

24 (A) in the matter preceding paragraph (1),
25 by striking “An employee” and all that follows

1 through “is not entitled” and inserting “IN
2 GENERAL.—An employee is not entitled to con-
3 tinuation of pay within the meaning of section
4 8118 for the first 3 days of temporary disability
5 or, if section 8118 does not apply, is not enti-
6 tled”;

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

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

10 (D) by redesignating paragraph (3) as
11 paragraph (2); and
12 (3) in subsection (b)—

13 (A) by striking “A Postal Service” the first
14 place it appears and all that follows through “A
15 Postal Service” the second place it appears and
16 inserting “USE OF LEAVE.—An”;

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

20 (C) by striking “or is followed by perma-
21 nent disability”.

22 (b) CONTINUATION OF PAY.—Section 8118 is amend-
23 ed—

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

1 (2) in subsection (b)(1), by striking “section
 2 8117(b)” and inserting “section 8117”;
 3 (3) by striking subsection (c); and
 4 (4) by redesignating subsections (d) as sub-
 5 section (c).

6 (c) **TECHNICAL AND CONFORMING AMENDMENTS.**—
 7 The table of sections for chapter 81 is amended by strik-
 8 ing the items relating to sections 8117 and 8118 and in-
 9 serting the following:

 “8117. Waiting period.

 “8118. Continuation of pay.”.

10 **SEC. 309. ELECTION OF BENEFITS.**

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

13 “(e) **RETIREMENT BENEFITS.**—

14 “(1) **IN GENERAL.**—An individual entitled to
 15 compensation benefits payable under this subchapter
 16 and under chapter 83 or 84 or any other retirement
 17 system for employees of the Government, for the
 18 same period, shall elect which benefits the individual
 19 will receive.

20 “(2) **ELECTION.**—

21 “(A) **DEADLINE.**—An individual shall
 22 make an election under paragraph (1) in ac-
 23 cordance with such deadlines as the Secretary
 24 of Labor shall establish, which shall be a rea-

1 sonable period after the individual has received
2 notice of a final determination that the indi-
3 vidual is entitled to compensation benefits pay-
4 able under this subchapter.

5 “(B) REVOCABILITY.—An election under
6 paragraph (1) shall be revocable, notwith-
7 standing any other provision of law, except for
8 any period during which an individual—

9 “(i) was qualified for benefits payable
10 under both this subchapter and under a re-
11 tirement system described in paragraph
12 (1); and

13 “(ii) was paid benefits under the re-
14 tirement system after having been notified
15 of eligibility for benefits under this sub-
16 chapter.

17 “(3) INFORMED CHOICE.—The Secretary of
18 Labor shall provide information, and shall ensure
19 that information is provided, to an individual de-
20 scribed in paragraph (1) about the benefits available
21 to the individual under this subchapter or under
22 chapter 83 or 84 or any other retirement system re-
23 ferred to in paragraph (1) the individual may elect
24 to receive.”.

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

5 **SEC. 310. SANCTION FOR NONCOOPERATION WITH FIELD**
6 **NURSES.**

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

9 “(f) FIELD NURSES.—

10 “(1) DEFINITION.—In this subsection, the term
11 ‘field nurse’ means a registered nurse that assists
12 the Secretary in the medical management of dis-
13 ability claims under this subchapter and provides
14 claimants with assistance in coordinating medical
15 care.

16 “(2) AUTHORIZATION.—The Secretary may use
17 field nurses to coordinate medical services and voca-
18 tional rehabilitation programs for injured employees
19 under this subchapter. If an employee refuses to co-
20 operate with a field nurse or obstructs a field nurse
21 in the performance of duties under this subchapter,
22 the right to compensation under this subchapter
23 shall be suspended until the refusal or obstruction
24 stops.”.

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

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

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

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

8 (3) in subsection (c)—

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

11 (B) by inserting “continuation of pay or”
12 before “compensation payable”.

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

15 (1) in the first sentence—

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

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

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

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

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

4 (2) in the second sentence, by striking “his des-
5 ignee” and inserting “the designee of the bene-
6 ficiary”; and

7 (3) in the fourth sentence, by striking “If com-
8 pensation” and all that follows through “payable to
9 him by the United States” and inserting “If con-
10 tinuation of pay or compensation has not been paid
11 to the beneficiary, the money or property shall be
12 credited against continuation of pay or compensation
13 payable to the beneficiary by the United States”.

14 (c) EFFECTIVE DATE.—This section and the amend-
15 ments made by this section shall take effect on the date
16 of enactment of this Act.

17 **SEC. 312. INTEGRITY AND COMPLIANCE.**

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

20 **“§ 8153. Integrity and Compliance Program**

21 “(a) DEFINITIONS.—In this section—

22 “(1) the term ‘FECA program’ means the Fed-
23 eral Employees Compensation Program administered
24 under this subchapter;

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

5 “(3) the term ‘Inspector General’—

6 “(A) means an Inspector General described
7 in subparagraph (A), (B), or (I) of section
8 11(b)(1) of the Inspector General Act of 1978
9 (5 U.S.C. App.); and

10 “(B) does not include the Inspector Gen-
11 eral of an entity having no employees covered
12 under the FECA program.

13 “(4) the term ‘Integrity and Compliance Pro-
14 gram’ means the Integrity and Compliance Program
15 established under subsection (b);

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

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

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

23 “(b) INTEGRITY AND COMPLIANCE PROGRAM.—Not
24 later than 270 days after the date of enactment of this
25 section, the Secretary shall establish an Integrity and

1 Compliance Program for the purpose of preventing, identi-
2 fying, and recovering fraudulent and other improper pay-
3 ments for the FECA program, which shall include—

4 “(1) procedures for identifying potentially im-
5 proper payments before payment is made to claim-
6 ants and providers, including, where appropriate,
7 predictive analytics;

8 “(2) reviews after payment is made to identify
9 potentially improper payments to claimants and pro-
10 viders;

11 “(3) on-going screening and verification proce-
12 dures to ensure the continued eligibility of medical
13 providers to provide services under the FECA pro-
14 gram, including licensure, Federal disbarment, and
15 the existence of relevant criminal convictions;

16 “(4) provision of appropriate information, edu-
17 cation, and training to claimants and providers on
18 requirements to ensure the integrity of the FECA
19 program, including payments under the FECA pro-
20 gram;

21 “(5) appropriate controls and audits to ensure
22 that providers adopt internal controls and proce-
23 dures for compliance with requirements under the
24 FECA program;

25 “(6) procedures to ensure—

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

4 “(B) ongoing verification of information in
5 databases relating to claimants to ensure accu-
6 racy and completeness; and

7 “(7) sharing and accessing data and informa-
8 tion with other agencies and instrumentalities of the
9 United States, including the United States Postal
10 Service.

11 “(c) INTERAGENCY COOPERATION ON ANTI-FRAUD
12 EFFORTS.—

13 “(1) IN GENERAL.—In administering the
14 FECA program, including the Integrity and Compli-
15 ance Program, the Secretary shall cooperate with
16 other agencies and instrumentalities of the United
17 States (including the United States Postal Service)
18 and the Inspectors General of such agencies and in-
19 strumentalities to prevent, identify, and recover
20 fraudulent and other improper payments under the
21 FECA program.

22 “(2) TASK FORCE.—

23 “(A) IN GENERAL.—There is established a
24 task force, which shall be known as the FECA
25 Integrity and Compliance Task Force.

1 “(B) MEMBERSHIP.—The members of the
2 Task Force shall be—

3 “(i) the Secretary, who shall serve as
4 the Chairperson of the Task Force;

5 “(ii) the Postmaster General, who
6 shall serve as the Vice Chairperson of the
7 Task Force;

8 “(iii) the Attorney General;

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

11 “(v) other appropriate Federal offi-
12 cials, as determined by the Chairperson
13 and Vice Chairperson of the Task Force.

14 “(C) ADVISORY MEMBERS.—The following
15 officials shall attend meetings of the Task
16 Force and participate as ad hoc, advisory mem-
17 bers, to provide technical assistance and guid-
18 ance to the Task Force with respect to the du-
19 ties of the Task Force:

20 “(i) The Inspector General of the De-
21 partment of Labor.

22 “(ii) The Inspector General of the
23 United States Postal Service.

24 “(iii) The Inspectors General of other
25 appropriate agencies and instrumentalities

1 of the United States that employ a signifi-
2 cant number of individuals receiving com-
3 pensation, benefits, or services under the
4 FECA program, as determined by the
5 Chairperson of the Task Force.

6 “(D) DUTIES.—The Task Force shall—

7 “(i) set forth, in writing, a description
8 of the respective roles and responsibilities
9 in preventing, identifying, recovering, and
10 prosecuting fraud under, and otherwise en-
11 suring integrity and compliance of, the
12 FECA program of—

13 “(I) the Secretary (including sub-
14 ordinate officials such as the Director
15 of the Office of Workers’ Compensa-
16 tion Programs);

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

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

23 “(IV) the Attorney General; and

24 “(V) any other relevant officials;

1 “(ii) develop procedures for sharing
2 information of possible fraud under the
3 FECA program or other intentional
4 misstatements by claimants or providers
5 under the FECA program, including proce-
6 dures addressing—

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

12 “(II) timely and appropriate re-
13 sponse by officials of the Department
14 of Labor to notifications described in
15 subclause (I);

16 “(III) the inclusion of informa-
17 tion and evidence relating to fraud
18 and other intentional misstatements
19 in criminal, civil, and administrative
20 proceedings relating to the provision
21 of compensation, benefits, or medical
22 services (including payments to pro-
23 viders) under the FECA program;

1 “(IV) the coordination of crimi-
2 nal investigations with the administra-
3 tion of the FECA program; and

4 “(V) the protection of informa-
5 tion relating to an investigation of
6 possible fraud under the FECA pro-
7 gram from potential disclosure, in-
8 cluding requirements that enable in-
9 vestigative files to be appropriately
10 separated from case management
11 files;

12 “(iii) not later than 1 year after the
13 date of enactment of this section, submit
14 to the Committee on Homeland Security
15 and Governmental Affairs of the Senate
16 and the Committee on Oversight and Gov-
17 ernment Reform and the Committee on
18 Education and the Workforce of the House
19 of Representatives a report that includes
20 the description and procedures required
21 under clauses (i) and (ii).

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

1 “(d) IMPROVEMENTS TO ACCESS OF FEDERAL DATA-
2 BASES.—

3 “(1) IN GENERAL.—In order to improve compli-
4 ance with the requirements under and the integrity
5 of the FECA program, or as required to otherwise
6 detect and prevent improper payments under the
7 FECA program (including for purposes of computer
8 matching under subsection (e)(1)(D)), upon written
9 request—

10 “(A) the Commissioner of Social Security
11 shall make available to the Secretary, the Post-
12 master General, and each Inspector General the
13 Social Security earnings information of a living
14 or deceased employee;

15 “(B) the Director of the Office of Per-
16 sonnel Management shall make available to the
17 Secretary, the Postmaster General, and each
18 Inspector General the information in the data-
19 bases of Federal employees and retirees main-
20 tained by the Director; and

21 “(C) the Secretary of Veterans Affairs
22 shall make available to the Secretary, the Post-
23 master General, and each Inspector General the
24 information in the database of disabled individ-

1 uals maintained by the Secretary of Veterans
2 Affairs.

3 “(2) NATIONAL DIRECTORY OF NEW HIRES.—

4 Upon written request, the Secretary of Health and
5 Human Services shall make available to the Sec-
6 retary, the Postmaster General, each Inspector Gen-
7 eral, and the Comptroller General of the United
8 States the information in the National Directory of
9 New Hires for purposes of carrying out this sub-
10 chapter, in order to improve compliance with the re-
11 quirements under and the integrity of the FECA
12 program, or as required to otherwise detect and pre-
13 vent improper payments under the FECA program
14 (including for purposes of computer matching under
15 subsection (e)(1)(D)). The Comptroller General may
16 obtain information from the National Directory of
17 New Hires for purposes of any audit, evaluation, or
18 investigation, including any audit, evaluation, or in-
19 vestigation relating to program integrity.

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

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

3 “(A) in a timely manner;

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

7 “(C) without cost to the Comptroller Gen-
8 eral of the United States; and

9 “(D) in the manner, frequency, and form
10 reasonably specified by the officer making the
11 request, which, upon request, shall include elec-
12 tronic form.

13 “(5) ASSESSMENT OF DATA COST-EFFECTIVE-
14 NESS.—

15 “(A) IN GENERAL.—The Secretary shall
16 consider and assess procedures for correlating
17 the identity and status of recipients of com-
18 pensation, benefits, or services under this sub-
19 chapter with information relating to employees,
20 retirees, and individuals described in subpara-
21 graphs (B) and (C) of paragraph (1) and para-
22 graph (2).

23 “(B) REPORT.—Not later than 1 year
24 after the date of enactment of this section, the
25 Secretary shall submit to the Committee on

1 Homeland Security and Governmental Affairs
2 of the Senate and the Committee on Oversight
3 and Government Reform and the Committee on
4 Education and the Workforce of the House of
5 Representatives a report on the cost-effective-
6 ness of the use of the databases described in
7 subparagraphs (B) and (C) of paragraph (1)
8 and paragraph (2) for program compliance and
9 integrity. The report required under this sub-
10 paragraph may be included as part of the re-
11 port required under subsection (f).

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

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

1 “(e) GENERAL PROTOCOLS AND SECURITY.—

2 “(1) ESTABLISHMENT.—

3 “(A) IN GENERAL.—In order to ensure
4 strong information security and privacy stand-
5 ards, the Task Force shall establish protocols
6 for the secure transfer and storage of any infor-
7 mation provided to an individual or entity
8 under this section.

9 “(B) CONSIDERATIONS.—In establishing
10 protocols under subparagraph (A), the Task
11 Force shall consider any recommendations sub-
12 mitted to the Secretary by the Inspector Gen-
13 eral of the Department of Health and Human
14 Services with respect to the secure transfer and
15 storage of information, and to comply with pri-
16 vacy laws and best practices.

17 “(C) FRAUD CASE PROTECTION.—The
18 Task Force shall establish protocols and proce-
19 dures to enable information and materials relat-
20 ing to an active investigation of possible fraud
21 relating to the FECA program to be appro-
22 priately kept separate from the files for employ-
23 ees relating to the provision of compensation,
24 benefits, or services under the FECA program.

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

5 “(i) IN GENERAL.—Except as pro-
6 vided in this subparagraph, in accordance
7 with section 552a (commonly known as the
8 Privacy Act of 1974), the Secretary, the
9 Postmaster General, each Inspector Gen-
10 eral, and the head of each agency may
11 enter into computer matching agreements
12 that allow ongoing data matching (which
13 shall include automated data matching) in
14 order to assist in the detection and preven-
15 tion of improper payments under the
16 FECA program.

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

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

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

3 “(II) during the 3-month period
4 ending on the date on which the
5 agreement is scheduled to terminate,
6 may be renewed by the agencies enter-
7 ing the agreement for not more than
8 3 years.

9 “(iv) MULTIPLE AGENCIES.—For pur-
10 poses of this subparagraph, section
11 552a(o)(1) shall be applied by substituting
12 ‘between the source agency and the recipi-
13 ent agency or non-Federal agency or an
14 agreement governing multiple agencies’ for
15 ‘between the source agency and the recipi-
16 ent agency or non-Federal agency’ in the
17 matter preceding subparagraph (A).

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

23 “(vi) GUIDANCE BY THE OFFICE OF
24 MANAGEMENT AND BUDGET.—Not later
25 than 6 months after the date of enactment

1 of the Workers' Compensation Reform Act
2 of 2012, and in consultation with the
3 Council of Inspectors General on Integrity
4 and Efficiency, the Secretary of Health
5 and Human Services, the Commissioner of
6 Social Security, and the head of any other
7 relevant agency, the Director of the Office
8 of Management and Budget shall—

9 “(I) issue guidance for agencies
10 regarding implementing this subpara-
11 graph, which shall include standards
12 for reimbursement costs, when nec-
13 essary, between agencies; and

14 “(II) establish standards and de-
15 velop standard matching agreements
16 for the purpose of improving the proc-
17 ess for establishing data use or com-
18 puter matching agreements.

19 “(2) COMPLIANCE.—The Secretary, the Post-
20 master General, and each Inspector General shall
21 ensure that any information provided to an indi-
22 vidual or entity under this section is provided in ac-
23 cordance with protocols established under paragraph
24 (1).

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

4 “(f) REPORT.—Not later than 1 year after the date
5 of enactment of this section, and annually thereafter for
6 5 years, the Secretary shall submit a report on the activi-
7 ties of the Secretary under this section, including imple-
8 mentation of the Integrity and Compliance Program, to—

9 “(1) the Committee on Homeland Security and
10 Governmental Affairs of the Senate; and

11 “(2) the Committee on Oversight and Govern-
12 ment Reform and the Committee on Education and
13 the Workforce of the House of Representatives.

14 “(g) GAO REVIEW.—The Comptroller General of the
15 United States shall—

16 “(1) conduct periodic reviews of the Integrity
17 and Compliance Program; and

18 “(2) submit reports on the results of the re-
19 views under paragraph (1) to the Committee on
20 Homeland Security and Governmental Affairs of the
21 Senate and the Committee on Oversight and Govern-
22 ment Reform and the Committee on Education and
23 the Workforce of the House of Representatives not
24 later than—

1 “(A) 2 years after the date of enactment
2 of this section; and

3 “(B) 3 years after submission of the report
4 under subparagraph (A).”.

5 (b) **TECHNICAL AND CONFORMING AMENDMENT.**—

6 The table of sections for chapter 81 is amended by insert-
7 ing after the item relating to section 8152 the following:
8 “8153. Integrity and Compliance Program.”.

9 (c) **EFFECTIVE DATE.**—This section and the amend-
10 ments made by this section shall take effect on the date
11 of enactment of this Act.

12 **SEC. 313. AMOUNT OF COMPENSATION.**

13 (a) **INJURIES TO FACE, HEAD, AND NECK.**—Section
14 8107(c)(21) is amended—

15 (1) by striking “not to exceed \$3,500” and in-
16 serting “in proportion to the severity of the dis-
17 figurement, not to exceed \$50,000,”; and

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

1 (b) FUNERAL EXPENSES.—Section 8134(a) is
2 amended—

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

4 and

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

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

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

18 Chapter 81 is amended—

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

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

3 (3) in section 8148(a), by striking “section
4 8106” and inserting “section 8106a”.

5 **SEC. 315. REGULATIONS.**

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

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

13 (1) what is a claim; and

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

16 **SEC. 316. EFFECTIVE DATE.**

17 Except as otherwise provided in this title, this title
18 and the amendments made by this title shall take effect
19 60 days after the date of enactment of this Act.

20 **TITLE IV—OTHER MATTERS**

21 **SEC. 401. SOLVENCY PLAN.**

22 (a) PLAN REQUIRED.—Not later than 90 days after
23 the date of enactment of this Act, the Postal Service shall
24 submit to the Committee on Homeland Security and Gov-
25 ernmental Affairs of the Senate, the Committee on Over-

1 sight and Government Reform of the House of Represent-
2 atives, the Comptroller General of the United States, and
3 the Commission a plan describing, in detail, the actions
4 the Postal Service will take to achieve long-term solvency
5 (as defined in section 208(e) of this Act).

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

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

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

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

14 (4) projected changes in mail volume;

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

18 (6) the long-term capital needs of the Postal
19 Service, including the need to maintain, repair, and
20 replace facilities and equipment.

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

24 **SEC. 402. POSTAL RATES.**

25 (a) COMMISSION STUDY.—

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

4 (A) whether and to what extent any mar-
5 ket-dominant classes, products, or types of mail
6 services do not bear the direct and indirect
7 costs attributable to those classes, products, or
8 types of mail services; and

9 (B) the impact of any excess mail proc-
10 essing, transportation, or delivery capacity of
11 the Postal Service on the direct and indirect
12 costs attributable to any class, product, or type
13 of mail service that bears less than 100 percent
14 of the costs attributable to the class, product,
15 or type of mail service, as determined under
16 subparagraph (A).

17 (2) REQUIREMENTS.—The Commission shall
18 conduct the study under paragraph (1) in a manner
19 that protects confidential and proprietary business
20 information.

21 (3) HEARING.—Before completing the study
22 under paragraph (1), the Commission shall hold a
23 public hearing, on the record, in order to better in-
24 form the conclusions of the study. The Postal Serv-

1 ice, postal customers, and other interested persons
2 may participate in the hearing under this paragraph.

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

7 (b) ANNUAL UPDATES REQUIRED.—Not later than
8 1 year after the date of completion of the study under
9 subsection (a), and annually thereafter, the Commission
10 shall—

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

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

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

23 (c) POSTAL RATES.—

24 (1) DEFINITION.—In this subsection, the term
25 “loss-making”, as used with respect to a class of

1 mail, means a class of mail that bears less than 100
2 percent of the costs attributable to the class of mail,
3 according to the most recent annual determination
4 of the Commission under subsection (a)(1) or (b)(1),
5 adjusted to account for the quantitative effect of ex-
6 cess mail processing, transportation, or delivery ca-
7 pacity of the Postal Service on the costs attributable
8 to the class of mail.

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

14 (3) CONSIDERATIONS.—The Postal Service may
15 establish postal rates under paragraph (2) in a man-
16 ner that ensures, to the extent practicable, that a
17 class of mail described in paragraph (2) is not loss-
18 making by—

19 (A) using the authority to increase rates
20 under section 3622(d)(1)(A) of title 39, United
21 States Code;

22 (B) exhausting any unused rate adjust-
23 ment authority, as defined in section
24 3622(d)(2)(C) of title 39, United States Code,
25 subject to paragraph (4); and

1 (C) maximizing incentives to reduce costs
2 and increase efficiency with regard to the proc-
3 essing, transportation, and delivery of such mail
4 by the Postal Service.

5 (4) UNUSED RATE ADJUSTMENT AUTHORITY.—
6 Section 3622(d)(2)(C) of title 39, United States
7 Code, shall be applied by annually increasing by 2
8 percentage points any unused rate adjustment au-
9 thority for a class of mail that bears less than 90
10 percent of the costs attributable to the class of mail,
11 according to the most recent annual determination
12 of the Commission under subsection (a)(1) or (b)(1),
13 adjusted to account for the quantitative effect of ex-
14 cess mail processing, transportation, or delivery ca-
15 pacity of the Postal Service on the costs attributable
16 to the class of mail.

17 **SEC. 403. CO-LOCATION WITH FEDERAL AGENCIES.**

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

20 “SUBCHAPTER VII—FEDERAL REAL PROPERTY
21 ASSET MANAGEMENT

22 “§ 701. Definitions

23 “In this subchapter:

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

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

7 “(3) LANDHOLDING AGENCY.—The term ‘land-
8 holding agency’ has the same meaning as in section
9 501(i) of the McKinney-Vento Homeless Assistance
10 Act (42 U.S.C. 11411(i)).

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

14 **“§ 702. Establishment of a Federal Real Property**
15 **Council**

16 “(a) ESTABLISHMENT.—There is within the Office of
17 Management and Budget a council to be known as the
18 ‘Federal Real Property Council’.

19 “(b) PURPOSE.—The purpose of the Council shall be
20 to develop guidance for the asset management program
21 of each executive agency.

22 “(c) COMPOSITION.—

23 “(1) IN GENERAL.—The Council shall be com-
24 posed of—

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

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

5 “(C) the Controller of the Office of Man-
6 agement and Budget;

7 “(D) the Administrator of General Serv-
8 ices; and

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

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

15 “(3) ADMINISTRATIVE SUPPORT.—The Office of
16 Management and Budget shall provide funding and
17 administrative support for the Council, as appro-
18 priate.

19 **“§ 703. Co-location among Postal Service properties**

20 “(a) CO-LOCATION AMONG POSTAL SERVICE PROP-
21 erties.—

22 “(1) IDENTIFICATION OF REAL PROPERTY AS-
23 sets.—Each year, the Council shall—

24 “(A) identify and compile a list of agency
25 field offices that are suitable for co-location

1 with another Federal civilian real property
2 asset; and

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

6 “(2) POSTAL PROPERTY.—

7 “(A) IN GENERAL.—Not later than 30
8 days after the completion of a list under para-
9 graph (1), the Director of the Office of Man-
10 agement and Budget, in collaboration with the
11 Postmaster General, shall identify agency field
12 offices on the list that are within reasonable
13 distance of a Postal property.

14 “(B) REASONABLE DISTANCE.—For pur-
15 poses of this paragraph, an agency field office
16 shall be considered to be within reasonable dis-
17 tance of a Postal property if the office would be
18 able to fulfill the mission of the office if the of-
19 fice is located at the Postal property.

20 “(C) REVIEW BY POSTAL SERVICE.—Not
21 later than 90 days after the receipt of the list
22 submitted under subparagraph (B), the Post-
23 master General shall—

24 “(i) review the list; and

1 “(ii) submit to the Director of the Of-
2 fice of Management and Budget a report
3 containing the conclusions of the review.

4 “(3) TERMS OF CO-LOCATION.—On approval of
5 the recommendations under paragraph (2) by the
6 Postmaster General and the applicable agency head,
7 the co-location of a Postal property and an agency
8 field office shall consist of the Executive agency that
9 owns or leases the agency field office entering into
10 a lease for space within the Postal property with
11 United States Postal Service that has—

12 “(A) an initial lease term of not less than
13 5 years; and

14 “(B) a cost that is within 5 percent of the
15 prevailing market lease rate for a similarly situ-
16 ated space.”.

17 **SEC. 404. COOPERATION WITH STATE AND LOCAL GOVERN-**
18 **MENTS; INTRA-SERVICE AGREEMENTS.**

19 (a) COOPERATION WITH STATE AND LOCAL GOV-
20 ERNMENTS.—Section 411 of title 39, United States Code,
21 is amended, in the first sentence, by striking “and the
22 Government Printing Office” and inserting “, the Govern-
23 ment Printing Office, and agencies and other units of
24 State and local governments”.

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

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

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

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

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

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

14 “(b) COOPERATION WITHIN THE POSTAL SERV-
15 ICE.—The Office of the Inspector General and other com-
16 ponents of the Postal Service may enter into agreements
17 to furnish to each other property, both real and personal,
18 and personal and nonpersonal services. The furnishing of
19 property and services under this subsection shall be under
20 such terms and conditions, including reimbursability, as
21 the Inspector General and the head of the component con-
22 cerned shall deem appropriate.”.

23 (c) TECHNICAL AND CONFORMING AMENDMENT.—
24 The table of sections for chapter 4 of title 39, United

1 States Code, is amended by striking the item relating to
2 section 411 and inserting the following:

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

3 **SEC. 405. SHIPPING OF WINE, BEER, AND DISTILLED SPIRITS.**
4 **ITS.**

5 (a) MAILABILITY.—

6 (1) NONMAILABLE ARTICLES.—Section 1716(f)
7 of title 18, United States Code, is amended by striking
8 “mails” and inserting “mails, except to the extent that the mailing is allowable under section
9 3001(p) of title 39”.

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

18 (b) REGULATIONS.—Section 3001 of title 39, United
19 States Code, is amended by adding at the end the following:
20

21 “(p)(1) In this subsection, the terms ‘distilled spirits’,
22 ‘wine’, and ‘malt beverage’ have the same meanings as in
23 section 117 of the Federal Alcohol Administration Act (27
24 U.S.C. 211).

1 “(2) Distilled spirits, wine, or malt beverages shall
2 be considered mailable if mailed—

3 “(A) in accordance with the laws and regula-
4 tions of—

5 “(i) the State, territory, or district of the
6 United States where the sender or duly author-
7 ized agent initiates the mailing; and

8 “(ii) the State, territory, or district of the
9 United States where the addressee or duly au-
10 thorized agent takes delivery; and

11 “(B) to an addressee who is at least 21 years
12 of age—

13 “(i) who provides a signature and presents
14 a valid, government-issued photo identification
15 upon delivery; or

16 “(ii) the duly authorized agent of whom—

17 “(I) is at least 21 years of age; and

18 “(II) provides a signature and pre-
19 sents a valid, government-issued photo
20 identification upon delivery.

21 “(3) The Postal Service shall prescribe such regula-
22 tions as may be necessary to carry out this subsection.”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall take effect on the earlier of—

1 (1) the date on which the Postal Service issues
2 regulations under section 3001(p) of title 39, United
3 States Code, as amended by this section; and

4 (2) 120 days after the date of enactment of this
5 Act.

6 **SEC. 406. ANNUAL REPORT ON UNITED STATES MAILING IN-**
7 **DUSTRY.**

8 (a) IN GENERAL.—Chapter 24 of title 39, United
9 States Code, is amended by adding at the end the fol-
10 lowing:

11 **“§ 2403. Annual report on the fiscal stability of the**
12 **United States mailing industry**

13 “(a) IN GENERAL.—Not later than 1 year after the
14 date of enactment of this section, and annually thereafter,
15 the Postal Regulatory Commission shall submit a report
16 on the fiscal stability of the United States mailing indus-
17 try with respect to the preceding fiscal year to—

18 “(1) the Committee on Homeland Security and
19 Governmental Affairs of the Senate; and

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

22 “(b) ASSISTANCE.—The United States Postal Service
23 and any Federal agency involved in oversight or data col-
24 lection regarding industry sectors relevant to the report
25 under subsection (a) shall provide any assistance to the

1 Postal Regulatory Commission that the Postal Regulatory
2 Commission determines is necessary in the preparation of
3 a report under subsection (a).”.

4 (b) **TECHNICAL AND CONFORMING AMENDMENT.**—

5 The table of sections for chapter 24 of title 39, United
6 States Code, is amended by adding at the end the fol-
7 lowing:

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

8 **SEC. 407. USE OF NEGOTIATED SERVICE AGREEMENTS.**

9 Section 3622 of title 39, United States Code, is
10 amended—

11 (1) in subsection (c)(10)(A)—

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

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

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

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

19 “(iii) preserve mail volume and rev-
20 enue; and”; and

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

22 “(g) **COORDINATION.**—The Postal Service and the
23 Postal Regulatory Commission shall coordinate actions to
24 identify methods to increase the use of negotiated service

1 agreements for market-dominant products by the Postal
 2 Service consistent with subsection (c)(10).”.

3 **SEC. 408. CONTRACT DISPUTES.**

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

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

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

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

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

13 **SEC. 409. CONTRACTING PROVISIONS.**

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

16 **“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.

“707. Congressional oversight authority.

17 **“§ 701. Definitions**

18 “In this chapter—

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

- 1 “(2) the term ‘covered postal entity’ means—
- 2 “(A) the Postal Service; or
- 3 “(B) the Postal Regulatory Commission;
- 4 “(3) the term ‘head of a covered postal entity’
- 5 means—
- 6 “(A) in the case of the Postal Service, the
- 7 Postmaster General; or
- 8 “(B) in the case of the Postal Regulatory
- 9 Commission, the Chairman of the Postal Regu-
- 10 latory Commission;
- 11 “(4) the term ‘postal contract’ means any con-
- 12 tract (including any agreement or memorandum of
- 13 understanding) entered into by a covered postal enti-
- 14 ty for the procurement of goods or services; and
- 15 “(5) the term ‘senior procurement executive’
- 16 means the senior procurement executive of a covered
- 17 postal entity.

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

- 19 “(a) ESTABLISHMENT AND DESIGNATION.—
- 20 “(1) ESTABLISHMENT.—There is established in
- 21 each covered postal entity an advocate for competi-
- 22 tion.
- 23 “(2) DESIGNATION.—The head of each covered
- 24 postal entity shall designate for the covered postal
- 25 entity 1 or more officers or employees (other than

1 the senior procurement executive) to serve as the ad-
2 vocate for competition.

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

5 “(1) be responsible for promoting competition
6 to the maximum extent practicable consistent with
7 obtaining best value by promoting the acquisition of
8 commercial items and challenging barriers to com-
9 petition;

10 “(2) review the procurement activities of the
11 covered postal entity; and

12 “(3) prepare and transmit to the head of each
13 covered postal entity, the senior procurement execu-
14 tive of each covered postal entity, the Board of Gov-
15 ernors, and Congress, an annual report describing—

16 “(A) the activities of the advocate under
17 this section;

18 “(B) initiatives required to promote com-
19 petition;

20 “(C) barriers to competition that remain;
21 and

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

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

25 “(a) IN GENERAL.—

1 “(1) POLICY.—Not later than 60 days after the
2 date of enactment of the 21st Century Postal Serv-
3 ice Act of 2012, the head of each covered postal en-
4 tity shall issue a policy on contracting officer delega-
5 tions of authority for the covered postal entity.

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

8 “(A) notwithstanding any delegation of au-
9 thority with respect to postal contracts, the ulti-
10 mate responsibility and accountability for the
11 award and administration of postal contracts
12 resides with the senior procurement executive;
13 and

14 “(B) a contracting officer shall maintain
15 an awareness of and engagement in the activi-
16 ties being performed on postal contracts of
17 which that officer has cognizance, notwith-
18 standing any delegation of authority that may
19 have been executed.

20 “(b) POSTING OF DELEGATIONS.—

21 “(1) IN GENERAL.—The head of each covered
22 postal entity shall make any delegation of authority
23 for postal contracts outside the functional con-
24 tracting unit readily available and accessible on the
25 website of the covered postal entity.

1 “(2) EFFECTIVE DATE.—This paragraph shall
2 apply to any delegation of authority made on or
3 after 30 days after the date of enactment of the 21st
4 Century Postal Service Act of 2012.

5 **“§ 704. Posting of noncompetitive purchase requests**
6 **for noncompetitive contracts**

7 “(a) POSTING REQUIRED.—

8 “(1) POSTAL REGULATORY COMMISSION.—The
9 Postal Regulatory Commission shall make the non-
10 competitive purchase request for any noncompetitive
11 award, including the rationale supporting the non-
12 competitive award, publicly available on the website
13 of the Postal Regulatory Commission—

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

16 “(B) not later than 30 days after the date
17 of the award of the noncompetitive contract, if
18 the basis for the award was a compelling busi-
19 ness interest.

20 “(2) POSTAL SERVICE.—The Postal Service
21 shall make the noncompetitive purchase request for
22 any noncompetitive award of a postal contract val-
23 ued at \$250,000 or more, including the rationale
24 supporting the noncompetitive award, publicly avail-
25 able on the website of the Postal Service—

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

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

6 “(3) ADJUSTMENTS TO THE POSTING THRESH-
7 OLD FOR THE POSTAL SERVICE.—

8 “(A) REVIEW AND DETERMINATION.—Not
9 later than January 31 of each year, the Postal
10 Service shall—

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

13 “(ii) based on any change in the Con-
14 sumer Price Index for all-urban consumers
15 of the Department of Labor, determine
16 whether an adjustment to the threshold
17 shall be made.

18 “(B) AMOUNT OF ADJUSTMENTS.—An ad-
19 justment under subparagraph (A) shall be made
20 in increments of \$5,000. If the Postal Service
21 determines that a change in the Consumer
22 Price Index for a year would require an adjust-
23 ment in an amount that is less than \$5,000, the
24 Postal Service may not make an adjustment to
25 the threshold for the year.

1 “(4) EFFECTIVE DATE.—This subsection shall
2 apply to any noncompetitive contract awarded on or
3 after the date that is 90 days after the date of en-
4 actment of the 21st Century Postal Service Act of
5 2012.

6 “(b) PUBLIC AVAILABILITY.—

7 “(1) IN GENERAL.—Subject to paragraph (2),
8 the information required to be made publicly avail-
9 able by a covered postal entity under subsection (a)
10 shall be readily accessible on the website of the cov-
11 ered postal entity.

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

14 “(A) carefully screen any description of the
15 rationale supporting a noncompetitive award re-
16 quired to be made publicly available under sub-
17 section (a) to determine whether the description
18 includes proprietary data (including any ref-
19 erence or citation to the proprietary data) or se-
20 curity-related information; and

21 “(B) remove any proprietary data or secu-
22 rity-related information before making publicly
23 available a description of the rational sup-
24 porting a noncompetitive award.

25 “(c) WAIVERS.—

1 “(1) WAIVER PERMITTED.—If a covered postal
2 entity determines that making a noncompetitive pur-
3 chase request publicly available would risk placing
4 the Postal Service at a competitive disadvantage rel-
5 ative to a private sector competitor, the senior pro-
6 curement executive, in consultation with the advo-
7 cate for competition of the covered postal entity,
8 may waive the requirements under subsection (a).

9 “(2) FORM AND CONTENT OF WAIVER.—

10 “(A) FORM.—A waiver under paragraph
11 (1) shall be in the form of a written determina-
12 tion placed in the file of the contract to which
13 the noncompetitive purchase agreement relates.

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

16 “(i) a description of the risk associ-
17 ated with making the noncompetitive pur-
18 chase request publicly available; and

19 “(ii) a statement that redaction of
20 sensitive information in the noncompetitive
21 purchase request would not be sufficient to
22 protect the Postal Service from being
23 placed at a competitive disadvantage rel-
24 ative to a private sector competitor.

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

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

7 “If a contracting officer identifies any ethical issues
8 relating to a proposed contract and submits those issues
9 and that proposed contract to the designated ethics official
10 for the covered postal entity before the awarding of that
11 contract, that ethics official shall—

12 “(1) review the proposed contract; and

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

15 **“§ 706. Ethical restrictions on participation in certain**
16 **contracting activity**

17 “(a) DEFINITIONS.—In this section—

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

19 “(A) a contracting officer; or

20 “(B) any employee of a covered postal en-
21 tity whose decisionmaking affects a postal con-
22 tract as determined by regulations prescribed
23 by the head of a covered postal entity;

24 “(2) the term ‘covered relationship’ means a
25 covered relationship described in section

1 2635.502(b)(1) of title 5, Code of Federal Regula-
2 tions, or any successor thereto; and

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

7 “(b) IN GENERAL.—

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

10 “(A) require a covered employee to include
11 in the file of any noncompetitive purchase re-
12 quest for a noncompetitive postal contract a
13 written certification that—

14 “(i) discloses any covered relationship
15 of the covered employee; and

16 “(ii) the covered employee will not
17 take any action with respect to the non-
18 competitive purchase request that affects
19 the financial interests of a friend, relative,
20 or person with whom the covered employee
21 is affiliated in a nongovernmental capacity,
22 or otherwise gives rise to an appearance of
23 the use of public office for private gain, as
24 described in section 2635.702 of title 5,

1 Code of Federal Regulations, or any suc-
2 cessor thereto;

3 “(B) require a contracting officer to con-
4 sult with the ethics counsel for the covered
5 postal entity regarding any disclosure made by
6 a covered employee under subparagraph (A)(i),
7 to determine whether participation by the cov-
8 ered employee in the noncompetitive purchase
9 request would give rise to a violation of part
10 2635 of title 5, Code of Federal Regulations
11 (commonly referred to as the ‘Standards of
12 Ethical Conduct for Employees of the Executive
13 Branch’);

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

24 “(D) under subsections (d) and (e) of sec-
25 tion 2635.50 of title 5, Code of Federal Regula-

1 tions, or any successor thereto, require the eth-
2 ics counsel for a covered postal entity to—

3 “(i) authorize a covered employee that
4 makes a disclosure under subparagraph
5 (A)(i) to participate in the noncompetitive
6 postal contract; or

7 “(ii) disqualify a covered employee
8 that makes a disclosure under subpara-
9 graph (A)(i) from participating in the non-
10 competitive postal contract;

11 “(E) require a contractor to timely disclose
12 to the contracting officer in a bid, solicitation,
13 award, or performance of a postal contract any
14 conflict of interest with a covered employee; and

15 “(F) include authority for the head of the
16 covered postal entity to a grant a waiver or oth-
17 erwise mitigate any organizational or personal
18 conflict of interest, if the head of the covered
19 postal entity determines that the waiver or miti-
20 gation is in the best interests of the Postal
21 Service.

22 “(2) POSTING OF WAIVERS.—Not later than 30
23 days after the head of a covered postal entity grants
24 a waiver described in paragraph (1)(F), the head of
25 the covered postal entity shall make the waiver pub-

1 licily available on the website of the covered postal
2 entity.

3 “(c) CONTRACT VOIDANCE AND RECOVERY.—

4 “(1) UNLAWFUL CONDUCT.—In any case in
5 which there is a final conviction for a violation of
6 any provision of chapter 11 of title 18 relating to a
7 postal contract, the head of a covered postal entity
8 may—

9 “(A) void that contract; and

10 “(B) recover the amounts expended and
11 property transferred by the covered postal enti-
12 ty under that contract.

13 “(2) OBTAINING OR DISCLOSING PROCUREMENT
14 INFORMATION.—

15 “(A) IN GENERAL.—In any case where a
16 contractor under a postal contract fails to time-
17 ly disclose a conflict of interest to the appro-
18 priate contracting officer as required under the
19 regulations promulgated under subsection
20 (b)(1)(D), the head of a covered postal entity
21 may—

22 “(i) void that contract; and

23 “(ii) recover the amounts expended
24 and property transferred by the covered
25 postal entity under that contract.

