

113TH CONGRESS  
1ST SESSION

# H. R. 2690

To enhance the long-term profitability of the United States Postal Service through enhanced innovation, operational flexibility, workforce realignment, and regulatory relief.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 16, 2013

Mr. CUMMINGS (for himself, Mr. LYNCH, Mr. TIERNEY, Mr. CONNOLLY, Ms. SPEIER, Ms. NORTON, Mr. DANNY K. DAVIS of Illinois, and Ms. KELLY of Illinois) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To enhance the long-term profitability of the United States Postal Service through enhanced innovation, operational flexibility, workforce realignment, and regulatory relief.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REF-**  
4 **ERENCES.**

5 (a) SHORT TITLE.—This Act may be cited as the  
6 “Innovate to Deliver Act of 2013”.

1 (b) TABLE OF CONTENTS.—The table of contents of  
 2 this Act is as follows:

Sec. 1. Short title; table of contents; references.

TITLE I—POSTAL SERVICE PROFITABILITY AND REVENUE-  
 GENERATING ENHANCEMENTS

Subtitle A—Postal Service Products and Pricing

- Sec. 101. USPS innovation officer and accountability.
- Sec. 102. Authority to offer nonpostal services.
- Sec. 103. Requirement that market-dominant products cover attributable costs.
- Sec. 104. PRC to revisit CPI cap instituted under PAEA.
- Sec. 105. Enhanced product innovation.
- Sec. 106. Authority to ship beer, wine and distilled spirits.
- Sec. 107. Repeal of uniform rate for books, films, and other materials.

Subtitle B—Postal Service Management

- Sec. 108. USPS balanced budget minimum requirement.
- Sec. 109. Reporting requirement for Board of Governors and Postal Regulatory  
 Commissioners.
- Sec. 110. Restrictions on postal service executive compensation.
- Sec. 111. Investment of competitive product moneys.

TITLE II—POSTAL SERVICE WORKFORCE REALIGNMENT AND  
 RIGHT-SIZING

- Sec. 201. Separate normal-cost percentage recalculation of Federal Employees  
 Retirement System.
- Sec. 202. Treatment of surplus contributions to Federal Employees Retirement  
 System.
- Sec. 203. Sense of Congress.
- Sec. 204. Contributions to Thrift Savings Fund of voluntary separation incen-  
 tive payments.
- Sec. 205. Service credit contributions of voluntary separation incentive pay-  
 ments.
- Sec. 206. Modification of prepayment schedule relating to Postal Service Re-  
 tiree Health Benefits Fund.
- Sec. 207. Study on USPS workforce realignment and right-sizing options.
- Sec. 208. Applicability of provisions relating to reductions in force.
- Sec. 209. Enhanced reporting on facility network initiatives.

TITLE III—POSTAL SERVICE IMPROVEMENTS AND REGULATORY  
 RELIEF

- Sec. 301. Permit appeal rights for closing of postal stations and branches.
- Sec. 302. Intra-agency cooperative agreements.
- Sec. 303. Grouping of negotiated service agreements.
- Sec. 304. Simplification of process for classification of competitive products.
- Sec. 305. Development of new market-dominant classes of mail.
- Sec. 306. Expedited consideration of service changes by PRC.

1 (c) REFERENCES.—Except as otherwise expressly  
2 provided, whenever in this Act an amendment or repeal  
3 is expressed in terms of an amendment to, or repeal of,  
4 a section or other provision, the reference shall be consid-  
5 ered to be made to a section or other provision of title  
6 39, United States Code.

7 **TITLE I—POSTAL SERVICE**  
8 **PROFITABILITY AND REV-**  
9 **ENUE-GENERATING EN-**  
10 **HANCEMENTS**

11 **Subtitle A—Postal Service**  
12 **Products and Pricing**

13 **SEC. 101. USPS INNOVATION OFFICER AND ACCOUNT-**  
14 **ABILITY.**

15 (a) IN GENERAL.—Chapter 2 is amended by adding  
16 at the end the following:

17 **“SEC. 209. USPS INNOVATION OFFICER AND ACCOUNT-**  
18 **ABILITY.**

19 “(a) IN GENERAL.—There shall be in the Postal  
20 Service a Chief Innovation Officer selected by the Post-  
21 master General who shall have proven expertise and a  
22 record of success in 1 or more of the following: postal and  
23 shipping industry, innovation product research and devel-  
24 opment, marketing brand strategy, emerging communica-  
25 tions technology, or business process management. The

1 Chief Innovation Officer shall manage the Postal Service’s  
2 development and implementation of innovative postal and  
3 nonpostal products and services.

4 “(b) DUTIES.—The Chief Innovation Officer shall  
5 have as primary duties—

6 “(1) leading the development of innovative non-  
7 postal products and services that will maximize rev-  
8 enue to the Postal Service;

9 “(2) developing innovative postal products and  
10 services, particularly those that utilize emerging in-  
11 formation technologies, to maximize revenue to the  
12 Postal Service;

13 “(3) monitoring the performance of innovative  
14 products and services and revising them as needed  
15 to meet changing market trends; and

16 “(4) taking into consideration comments or ad-  
17 visory opinions, if applicable, issued by the Postal  
18 Regulatory Committee prior to the initial sale of in-  
19 novative postal or nonpostal products and services.

20 “(c) DESIGNATION.—

21 “(1) DEADLINE.—As soon as practicable after  
22 the date of enactment of this section, but no later  
23 than January 1, 2014, the Postmaster General shall  
24 designate a Chief Innovation Officer.

1           “(2) CONDITION.—Nothing in this section shall  
2           be construed to prohibit an individual who holds an-  
3           other office or position in the Postal Service from  
4           serving as the Chief Innovation Officer under this  
5           chapter. However, upon appointment to the position  
6           of the Chief Innovation Officer, such individual may  
7           not, while serving in such office, concurrently hold  
8           any other office or position in the Postal Service.

9           “(d) INNOVATION STRATEGY.—

10           “(1) IN GENERAL.—Not later than 12 months  
11           after the date on which the Chief Innovation Officer  
12           is designated under subsection (c)(1), the Post-  
13           master General shall submit to the Committee on  
14           Homeland Security and Governmental Affairs of the  
15           Senate and the Committee on Oversight and Govern-  
16           ment Reform of the House of Representatives a  
17           comprehensive strategy for maximizing revenues  
18           through innovative postal and nonpostal products  
19           and services.

20           “(2) MATTERS TO BE ADDRESSED.—At a min-  
21           imum, the strategy required by this section shall ad-  
22           dress—

23           “(A) the specific innovative postal and  
24           nonpostal products and services to be developed  
25           and offered by the Postal Service, including the

1 nature of the market to be filled by each prod-  
2 uct and service and the likely date by which  
3 each product and service will be introduced;

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

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

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

11 “(E) the likelihood of success of each inno-  
12 vative product and service as well as the risks  
13 associated with the development and sale of  
14 each innovative product and service;

15 “(F) the trends anticipated in market con-  
16 ditions that may affect the success of each  
17 product and service over the 5-year period be-  
18 ginning on the date such strategy or update is  
19 submitted; and

20 “(G) the metrics that will be utilized to as-  
21 sess the effectiveness of the innovation strategy.

22 “(3) STRATEGY UPDATES.—On January 1,  
23 2018, and every 3 years thereafter, the Chief Inno-  
24 vation Officer shall submit an update to the innova-  
25 tion strategy submitted under paragraph (1) to the

1 Committee on Homeland Security and Governmental  
2 Affairs of the Senate, the Committee on Oversight  
3 and Government Reform of the House of Represent-  
4 atives, and the Postal Regulatory Commission.

5 “(e) REPORT ON PERFORMANCE.—

6 “(1) IN GENERAL.—The Postmaster General  
7 shall submit to the Committee on Homeland Secu-  
8 rity and Governmental Affairs of the Senate, the  
9 Committee on Oversight and Government Reform of  
10 the House of Representatives, and the Postal Regu-  
11 latory Commission with the President’s budget sub-  
12 mission under section 1105(a) of title 31 a report  
13 that details the Postal Service’s progress in imple-  
14 menting the Innovation Strategy.

15 “(2) MATTERS TO BE ADDRESSED.—At a min-  
16 imum, the report required by this section shall ad-  
17 dress—

18 “(A) the revenue generated by each prod-  
19 uct and service developed through the Innova-  
20 tion Strategy and the costs of developing and  
21 offering each such product and service for the  
22 most recent fiscal year;

23 “(B) the total sales volume and revenue  
24 generated by each product and service on a  
25 monthly basis for the preceding year;

1           “(C) trends in the markets filled by each  
2 product and service;

3           “(D) products and services identified in  
4 the Innovation Strategy that are to be discon-  
5 tinued, the date on which the discontinuance  
6 will occur, and the reasons for the discontinu-  
7 ance;

8           “(E) alterations in products and services  
9 identified in the Innovation Strategy that will  
10 be made to meet changing market conditions,  
11 and an explanation of how these alterations will  
12 ensure the success of the products and services;  
13 and

14           “(F) the performance of the Innovation  
15 Strategy according to the metrics identified in  
16 subsection (d)(2)(G).

17       “(f) COMPTROLLER GENERAL.—

18           “(1) IN GENERAL.—The Comptroller General  
19 shall conduct a study on the implementation of the  
20 innovation strategy not later than 4 years after the  
21 date of enactment of this section.

22           “(2) CONTENTS.—At a minimum, the Comp-  
23 troller General shall assess the effectiveness of the  
24 Postal Service in identifying, developing, and selling



1 innovative postal and nonpostal products and serv-  
2 ices. The study shall also include—

3 “(A) an audit of the costs of developing  
4 each innovative postal and nonpostal product  
5 and service developed or offered by the Postal  
6 Service during the period beginning on the date  
7 of enactment of this section and ending 4 years  
8 after such date;

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

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

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

15 “(3) SUBMISSION.—The results of the study re-  
16 quired under this subsection shall be submitted to  
17 the Committee on Homeland Security and Govern-  
18 mental Affairs of the Senate and the Committee on  
19 Oversight and Government Reform of the House of  
20 Representatives.”.

21 (b) CLERICAL AMENDMENT.—The table of sections  
22 at the beginning of chapter 2 is amended by adding at  
23 the end the following:

“209. USPS innovation officer and accountability.”.

24 **SEC. 102. AUTHORITY TO OFFER NONPOSTAL SERVICES.**

25 (a) SPECIFIC POWER.—Section 404(a) is amended—

1           (1) in paragraph (7), by striking “and” at the  
2           end;

3           (2) in paragraph (8), by striking the period and  
4           inserting “; and”; and

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

6           “(9) to provide nonpostal services in accordance  
7           with subsection (e).”.

8           (b) NONPOSTAL SERVICES.—Section 404(e) is  
9           amended to read as follows:

10          “(e)(1) The Postal Service may provide nonpostal  
11          services that use the processing, transportation, delivery,  
12          retail network, technology, or other resources of the Postal  
13          Service in a manner consistent with the public interest.

14          “(2) At least 90 days before offering new nonpostal  
15          services, the Postal Service shall request an advisory opin-  
16          ion from the Postal Regulatory Commission that evaluates  
17          the extent to which the provision of such nonpostal serv-  
18          ices—

19                 “(A) would use the processing, transportation,  
20                 delivery, retail network, technology, or other re-  
21                 sources of the Postal Service; and

22                 “(B) would be consistent with the public inter-  
23                 est.

24          “(3) Within 45 days after receiving the request under  
25          paragraph (2), the Postal Regulatory Commission—

1           “(A) shall issue its advisory opinion to the  
2       Postal Service; and

3           “(B) shall transmit a copy of such opinion, to-  
4       gether with the original request, to—

5                   “(i) the Committee on Oversight and Gov-  
6       ernment Reform of the House of Representa-  
7       tives; and

8                   “(ii) the Committee on Homeland Security  
9       and Governmental Affairs of the Senate.

10       “(4) For purposes of this title, the term ‘nonpostal  
11       services’ means services and products other than postal  
12       services as defined in section 102(5), including—

13                   “(A) check-cashing services;

14                   “(B) new technology and media services;

15                   “(C) warehousing and logistics;

16                   “(D) facility leasing; and

17                   “(E) public internet access services.”.

18       **SEC. 103. REQUIREMENT THAT MARKET-DOMINANT PROD-**

19                               **UCTS COVER ATTRIBUTABLE COSTS.**

20       (a) **REPEAL.**—Paragraph (2) of section 3622(c) is re-  
21       pealed.

22       (b) **EACH CLASS TO BEAR ATTRIBUTABLE COSTS.**—  
23       Section 3622(d)(1) is amended—

24                   (1) by redesignating subparagraphs (A) through  
25       (E) as subparagraphs (B) through (F);

1 (2) by inserting before subparagraph (B) (as so  
2 redesignated by paragraph (1)) the following:

3 “(A) require that each class or type of mail  
4 service shall bear the direct and indirect postal  
5 costs attributable to such class or type through  
6 reliably identified causal relationships plus that  
7 portion of all other costs of the Postal Service  
8 reasonably assignable to such class or type;”;  
9 and

10 (3) in subparagraph (B) (as so redesignated by  
11 paragraph (1)) by inserting “, excluding changes re-  
12 quired to satisfy subparagraph (A),” before “to be  
13 set”.

14 **SEC. 104. PRC TO REVISIT CPI CAP INSTITUTED UNDER**  
15 **PAEA.**

16 Section 3622 is amended—

17 (1) in subsection (c)—

18 (A) in paragraph (13), by striking “and”  
19 at the end;

20 (B) by redesignating paragraph (14) as  
21 paragraph (15); and

22 (C) by inserting after paragraph (13) the  
23 following:

24 “(14) the value to the Postal Service of having  
25 pricing flexibility that would apply a price cap across

1 all classes of market dominant products in compari-  
2 son to a class-based price cap; and”;

3 (2) in subsection (d)(3), by striking “Ten” and  
4 inserting “Seven”.

5 **SEC. 105. ENHANCED PRODUCT INNOVATION.**

6 (a) DOLLAR-AMOUNT LIMITATION RELATING TO  
7 MARKET TESTS OF EXPERIMENTAL PRODUCTS.—Section  
8 3641(e)(1) is amended by striking “\$10,000,000” and in-  
9 serting “\$50,000,000”.

10 (b) DOLLAR-AMOUNT LIMITATION RELATING TO EX-  
11 EMPTION AUTHORITY.—Section 3641(e)(2) is amended by  
12 striking “\$50,000,000” and inserting “\$100,000,000”.

13 **SEC. 106. AUTHORITY TO SHIP BEER, WINE AND DISTILLED**  
14 **SPIRITS.**

15 (a) MAILABILITY.—

16 (1) NONMAILABLE ARTICLES.—Section 1716(f)  
17 of title 18, United States Code, is amended by strik-  
18 ing “mails” and inserting “mails, except to the ex-  
19 tent that the mailing is allowable under section  
20 3001(p) of title 39”.

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

1        istration Act (27 U.S.C. 211)), is in conformity with  
2        section 3001(p) of title 39” after “Register”.

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

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

10       “(2) Distilled spirits, wine, or malt beverages shall  
11 be considered mailable if mailed—

12            “(A) in accordance with the laws and regula-  
13 tions of—

14                    “(i) the State, territory, or district of the  
15 United States where the sender or duly author-  
16 ized agent initiates the mailing; and

17                    “(ii) the State, territory, or district of the  
18 United States where the addressee or duly au-  
19 thorized agent takes delivery; and

20            “(B) to an addressee who is at least 21 years  
21 of age—

22                    “(i) who provides a signature and presents  
23 a valid, government-issued photo identification  
24 upon delivery; or

25                    “(ii) the duly authorized agent of whom—

1 “(I) is at least 21 years of age; and

2 “(II) provides a signature and pre-  
3 sents a valid, government-issued photo  
4 identification upon delivery.

5 “(3) The Postal Service shall prescribe such regula-  
6 tions as may be necessary to carry out this subsection.”.

7 (c) EFFECTIVE DATE.—The amendments made by  
8 this section shall take effect on the earlier of—

9 (1) the date on which the Postal Service issues  
10 regulations under section 3001(p) of title 39, United  
11 States Code, as amended by this section; or

12 (2) 120 days after the date of enactment of this  
13 Act.

14 **SEC. 107. REPEAL OF UNIFORM RATE FOR BOOKS, FILMS,**  
15 **AND OTHER MATERIALS.**

16 (a) IN GENERAL.—Section 3683 is repealed.

17 (b) CLERICAL AMENDMENT.—The table of sections  
18 at the beginning of chapter 36 is amended by repealing  
19 the item relating to section 3683.

20 **Subtitle B—Postal Service**  
21 **Management**

22 **SEC. 108. USPS BALANCED BUDGET MINIMUM REQUIRE-**  
23 **MENT.**

24 Section 404(b) is amended—

1           (1) by striking “(b)” and inserting “(b)(1)”;

2           and

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

4           “(2) Notwithstanding subparagraphs (B) or (E) of  
5 section 3622(d)(1), within 180 days after the date of en-  
6 actment of this paragraph, the Governors shall ensure that  
7 the rates and fees charged for market dominant products,  
8 and the level and quality of service provided by the Postal  
9 Service, shall be adjusted in accordance with current law  
10 so that the total revenues received by the Postal Service,  
11 in fiscal year 2014 and each subsequent fiscal year, from  
12 all sources are at least equal to the total costs incurred  
13 in the provision of postal services, except that the Gov-  
14 ernors shall continue to provide all public services for  
15 which appropriations are made to the Postal Service under  
16 section 2401.

17           “(3) After the end of the 2-year period beginning on  
18 October 1, 2013, for any fiscal year that the Postal Serv-  
19 ice is not in compliance with paragraph (2), the Governors  
20 shall not receive a salary or compensation of any kind for  
21 the following fiscal year, but shall be reimbursed for travel  
22 and reasonable expenses incurred in attending meetings  
23 of the Board.”.



1 **SEC. 109. REPORTING REQUIREMENT FOR BOARD OF GOV-**  
2 **ERNORS AND POSTAL REGULATORY COMMIS-**  
3 **SIONERS.**

4 (a) BOARD OF GOVERNORS.—Section 202(a) is  
5 amended by adding at the end the following:

6 “(3) Not later than 60 days after the end of  
7 each fiscal year, the Board of Governors shall sub-  
8 mit an itemized report describing all travel and re-  
9 imburseable business travel expenses paid to each  
10 Governor when performing Board duties to the Com-  
11 mittee on Oversight and Government Reform of the  
12 House of Representatives and the Committee on  
13 Homeland Security and Governmental Affairs of the  
14 Senate. The report submitted under this paragraph  
15 shall include a detailed justification for any travel or  
16 reimbursable business travel expense that deviates  
17 from the Board’s travel and reimbursable business  
18 travel expense policies and guidelines under para-  
19 graph (1).”.

20 (b) ADMINISTRATION.—Section 504(d) is amended—

21 (1) by striking “(d)” and inserting “(d)(1)”;

22 and

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

24 “(2) Not later than 60 days after the end of  
25 each fiscal year, the Postal Regulatory Commis-  
26 sioners shall submit an itemized report describing all

1 travel and reimbursable business travel expenses  
2 paid to each Commissioner, including the Chairman,  
3 when performing regulatory duties to the Committee  
4 on Oversight and Government Reform of the House  
5 of Representatives and the Committee on Homeland  
6 Security and Governmental Affairs of the Senate.  
7 The report submitted under this paragraph shall in-  
8 clude a detailed justification for any travel or reim-  
9 bursable business travel expense that deviates from  
10 the Commission’s travel and reimbursable business  
11 travel expense policies and guidelines.”.

12 **SEC. 110. RESTRICTIONS ON POSTAL SERVICE EXECUTIVE**  
13 **COMPENSATION.**

14 (a) LIMITATIONS ON COMPENSATION.—Section 1003  
15 is amended—

16 (1) in subsection (a), by striking the last sen-  
17 tence; and

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

19 “(e) LIMITATIONS ON COMPENSATION.—

20 “(1) RATES OF BASIC PAY.—

21 “(A) IN GENERAL.—Subject to subpara-  
22 graph (B), an officer or employee of the Postal  
23 Service may not be paid at a rate of basic pay  
24 that exceeds the rate of basic pay for level II

1 of the Executive Schedule under section 5313  
2 of title 5.

3 “(B) VERY SENIOR EXECUTIVES.—Not  
4 more than 6 officers or employees of the Postal  
5 Service that are in very senior executive posi-  
6 tions, as determined by the Board of Governors,  
7 may be paid at a rate of basic pay that does not  
8 exceed the rate of basic pay for level I of the  
9 Executive Schedule under section 5312 of title  
10 5.

11 “(2) BENEFITS.—An officer or employee of the  
12 Postal Service who is in a critical senior executive or  
13 equivalent position, as designated under section  
14 3686(e), may not receive fringe benefits (within the  
15 meaning given that term under section 1005(f)) that  
16 are greater than the fringe benefits received by su-  
17 pervisory and other managerial personnel who are  
18 not subject to collective-bargaining agreements  
19 under chapter 12.”.

20 (b) LIMITATION ON BONUS AUTHORITY.—Section  
21 3686 is amended—

22 (1) in subsection (a), by striking “The Postal  
23 Service” and inserting “Subject to subsection (f),  
24 the Postal Service”; and

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

1 “(f) LIMITATION ON BONUS AUTHORITY.—

2 “(1) DETERMINATION.—Not later than 60 days  
3 after the end of fiscal year 2014 and each fiscal year  
4 thereafter, the Office of Management and Budget  
5 shall determine whether the Postal Service has, with  
6 respect to such fiscal year, implemented the meas-  
7 ures needed to achieve long-term solvency and bal-  
8 anced budgeting, as required under paragraphs (2)  
9 and (3) of section 404(b). In order to make such de-  
10 termination, the Office of Management and Budget  
11 shall use the information provided under section  
12 2009.

13 “(2) LIMITATION.—The Postal Service may not  
14 provide a bonus or other reward under this section  
15 to an officer or employee of the Postal service in a  
16 critical senior executive or equivalent position, as  
17 designated under subsection (c), during a covered  
18 year.

19 “(3) DEFINITION.—In this subsection, the term  
20 ‘covered year’ means the fiscal year following a fiscal  
21 year with respect to which the Office of Management  
22 and Budget determines under paragraph (1) that  
23 the Postal Service has not implemented the meas-  
24 ures needed to achieve long-term solvency and bal-

1       anced budgeting, as required under paragraphs (2)  
2       and (3) of section 404(b).”.

3       (c) EFFECTIVE DATE; APPLICABILITY.—The amend-  
4       ments made by subsections (a) through (c) shall—

5           (1) take effect on the date of enactment of this  
6       Act; and

7           (2) apply to any contract entered or modified  
8       by the Postal Service on or after the date of enact-  
9       ment of this Act.

10       (d) SUNSET.—Effective 2 years after the date of en-  
11       actment of this Act—

12           (1) section 1003 is amended—

13               (A) in subsection (a), by adding at the end  
14               the following: “No officer or employee shall be  
15               paid compensation at a rate in excess of the  
16               rate for level I of the Executive Schedule under  
17               section 5312 of title 5.”; and

18               (B) by striking subsection (e); and

19           (2) section 3686 is amended—

20               (A) in subsection (a), by striking “Subject  
21               to subsection (f), the Postal Service” and in-  
22               serting “The Postal Service”; and

23               (B) by striking subsection (f).

1 **SEC. 111. INVESTMENT OF COMPETITIVE PRODUCT MON-**  
2 **EYS.**

3 Section 2003 is amended—

4 (1) by redesignating subsections (d) through (h)  
5 as subsections (e) through (i), respectively; and

6 (2) by inserting after subsection (c) the fol-  
7 lowing:

8 “(d) Notwithstanding any other provision of this sec-  
9 tion, if the Postal Service determines that the moneys of  
10 the Competitive Products Fund are in excess of current  
11 needs, it may invest such amounts as it considers appro-  
12 priate in accordance with regulations which the Secretary  
13 of the Treasury shall prescribe within 180 days after the  
14 date of enactment of this subsection.”.

15 **TITLE II—POSTAL SERVICE**  
16 **WORKFORCE REALIGNMENT**  
17 **AND RIGHT-SIZING**

18 **SEC. 201. SEPARATE NORMAL-COST PERCENTAGE RECAL-**  
19 **CULATION OF FEDERAL EMPLOYEES RETIRE-**  
20 **MENT SYSTEM.**

21 (a) IN GENERAL.—Section 8423(a)(1) of title 5,  
22 United States Code, is amended—

23 (1) in subparagraph (A)—

24 (A) by striking “subparagraph (B))” and  
25 inserting “subparagraph (B) or (C))”; and

26 (B) by striking “and” at the end;

1 (2) in subparagraph (B), by striking the period  
2 and inserting “; and”; and

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

4 “(C) the product of—

5 “(i) the normal-cost percentage, as  
6 determined for employees of the United  
7 States Postal Service (and the Postal Reg-  
8 ulatory Commission), multiplied by

9 “(ii) the aggregate amount of basic  
10 pay payable by the United States Postal  
11 Service (and the Postal Regulatory Com-  
12 mission), for the period involved, to its em-  
13 ployees.”.

14 (b) **EFFECTIVE DATE.**—The amendments made by  
15 subsection (a) shall be carried out as soon as practicable,  
16 except that contributions shall be set in accordance with  
17 such amendments not later than the first applicable pay  
18 period beginning in the first fiscal year beginning at least  
19 180 days after the date of the enactment of this Act.

20 **SEC. 202. TREATMENT OF SURPLUS CONTRIBUTIONS TO**  
21 **FEDERAL EMPLOYEES RETIREMENT SYSTEM.**

22 (a) **IN GENERAL.**—Section 8423(b) of title 5, United  
23 States Code, is amended by adding at the end the fol-  
24 lowing:

1       “(6)(A) If, for any fiscal year to which this paragraph  
2 applies, the amount determined under paragraph (1)(B)  
3 is less than zero (hereinafter in this paragraph referred  
4 to as ‘excess postal contributions to FERS’), such amount  
5 shall be treated in accordance with the following:

6           “(i) In the case of the first fiscal year to which  
7 this paragraph applies and for which excess postal  
8 contributions to FERS are determined, the amount  
9 of such excess contributions shall be transferred by  
10 the Secretary of the Treasury to such account as the  
11 Secretary considers appropriate so that such amount  
12 shall be used for the payment of obligations issued  
13 by the United States Postal Service under section  
14 2005 of title 39.

15           “(ii) In the case of any subsequent fiscal year  
16 to which this paragraph applies and for which excess  
17 postal contributions to FERS are determined, the  
18 amount of such excess contributions shall be trans-  
19 ferred by the Secretary of the Treasury to the ac-  
20 count to which are credited any Government con-  
21 tributions which are made by the United States  
22 Postal Service under section 8334(a)(1)(B) (or  
23 which would be made, but for clause (ii) thereof).



1 “(B) This paragraph applies to the fiscal year last  
2 ending before the date of the enactment of this paragraph  
3 and each fiscal year thereafter.

4 “(C) In the case of any transfer under subparagraph  
5 (A)(ii) for a fiscal year corresponding to a fiscal year for  
6 which a determination of Postal surplus or supplemental  
7 liability is scheduled to be made under section 8348(h),  
8 the transfer under subparagraph (A)(ii) shall be made be-  
9 fore such determination under section 8348(h) is made.”.

10 (b) CONFORMING AMENDMENT.—Section  
11 8348(h)(1)(B)(iii) of title 5, United States Code, is  
12 amended by striking “principles.” and inserting “prin-  
13 ciples, including any amounts described in section  
14 8423(b)(6)(A)(ii).”.

15 **SEC. 203. SENSE OF CONGRESS.**

16 It is the sense of Congress that the United States  
17 Postal Service should use its available authority as it  
18 deems necessary to provide early retirement or separation  
19 incentives to eligible Postal Service employees.

20 **SEC. 204. CONTRIBUTIONS TO THRIFT SAVINGS FUND OF**  
21 **VOLUNTARY SEPARATION INCENTIVE PAY-**  
22 **MENTS.**

23 (a) Section 8351(b)(2) of title 5, United States Code,  
24 is amended—

1           (1) by striking the matter before subparagraph  
2           (C) and inserting the following:

3           “(2)(A) An employee or Member may contribute to  
4 the Thrift Savings Fund in any pay period any amount  
5 of such employee’s or Member’s basic pay for such pay  
6 period.

7           “(B) An employee may contribute (by direct transfer  
8 to the Fund) any part of any voluntary separation incen-  
9 tive payment that the employee receives under section  
10 3523.”; and

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

12           “(D) Notwithstanding section 2105(e), in this para-  
13 graph, the term ‘employee’ includes an employee of the  
14 United States Postal Service or the Postal Regulatory  
15 Commission.”.

16           (b) Section 8432(a) of title 5, United States Code,  
17 is amended—

18           (1) by redesignating paragraph (3) as (4);

19           (2) by striking the matter before paragraph (4)  
20 (as so redesignated by paragraph (1)) and inserting  
21 the following:

22           “(a)(1) An employee or Member may contribute to  
23 the Thrift Savings Fund in any pay period, pursuant to  
24 an election under subsection (b), any amount of such em-  
25 ployee’s or Member’s basic pay for such pay period.

1       “(2) An employee may contribute (by direct transfer  
2 to the Fund) any part of any voluntary separation incen-  
3 tive payment that the employee receives under section  
4 3523.

5       “(3) Contributions made under paragraph (1) pursu-  
6 ant to an election under subsection (b) shall, with respect  
7 to each pay period for which such election remains in ef-  
8 fect, be made in accordance with a program of regular  
9 contributions provided in regulations prescribed by the  
10 Executive Director.”; and

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

12       “(5) Notwithstanding section 2105(e), in this sub-  
13 section the term ‘employee’ includes an employee of the  
14 United States Postal Service or of the Postal Regulatory  
15 Commission.”.

16       (c) REGULATIONS.—The Executive Director of the  
17 Federal Retirement Thrift Investment Board shall pro-  
18 mulgate regulations to carry out the amendments made  
19 by this section.

20 **SEC. 205. SERVICE CREDIT CONTRIBUTIONS OF VOL-**  
21 **UNTARY SEPARATION INCENTIVE PAYMENTS.**

22       (a) VOLUNTARY SEPARATION INCENTIVE PAY-  
23 MENTS.—The Postal Service may provide voluntary sepa-  
24 ration incentive payments to employees of the Postal Serv-  
25 ice who voluntarily separate from service before October

1 1, 2016 (including payments to employees who retire  
2 under section 8336(d)(2) or 8414(b)(1)(B) of title 5,  
3 United States Code, before October 1, 2016), which may  
4 not exceed the maximum amount provided under section  
5 3523(b)(3)(B) of title 5, United States Code, for any em-  
6 ployee.

7 (b) ADDITIONAL SERVICE CREDIT.—

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

11 “(p)(1)(A) For an employee of the United States  
12 Postal Service who is covered under this subchapter and  
13 voluntarily separates from service before October 1, 2016,  
14 the Office, if so directed by the United States Postal Serv-  
15 ice, shall add not more than 1 year to the total creditable  
16 service of the employee for purposes of determining enti-  
17 tlement to and computing the amount of an annuity under  
18 this subchapter (except for a disability annuity under sec-  
19 tion 8337).

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

24 “(2) The United States Postal Service shall ensure  
25 that the average actuarial present value of the additional

1 liability of the United States Postal Service to the Fund  
2 resulting from additional creditable service provided under  
3 paragraph (1) or section 8411(m)(1) is not more than  
4 \$25,000 per employee provided additional creditable serv-  
5 ice under paragraph (1) or section 8411(m)(1).

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

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

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

17 “(m)(1)(A) For an employee of the United States  
18 Postal Service who is covered under this chapter and vol-  
19 untarily separates from service before October 1, 2016,  
20 the Office, if so directed by the United States Postal Serv-  
21 ice, shall add not more than 2 years to the total creditable  
22 service of the employee for purposes of determining enti-  
23 tlement to and computing the amount of an annuity under  
24 this chapter (except for a disability annuity under sub-  
25 chapter V of that chapter).

1       “(B) An employee who receives additional creditable  
2 service under this paragraph may not receive a voluntary  
3 separation incentive payment from the United States  
4 Postal Service.

5       “(2) The United States Postal Service shall ensure  
6 that the average actuarial present value of the additional  
7 liability of the United States Postal Service to the Fund  
8 resulting from additional creditable service provided under  
9 paragraph (1) or section 8332(p)(1) is not more than  
10 \$25,000 per employee provided additional creditable serv-  
11 ice under paragraph (1) or section 8332(p)(1).

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

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

20       (c) GOALS.—

21           (1) IN GENERAL.—The Postal Service shall  
22 offer incentives for voluntary separation under this  
23 section and the amendments made by this section as  
24 a means of ensuring that the size and cost of the  
25 workforce of the Postal Service is appropriate to the

1 work required of the Postal Service, including con-  
2 sideration of—

3 (A) the closure and consolidation of postal  
4 facilities;

5 (B) the ability to operate existing postal  
6 facilities more efficiently, including by reducing  
7 the size or scope of operations of postal facili-  
8 ties in lieu of closing postal facilities; and

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

12 (2) DEFINITION.—In this subsection, the term  
13 “career employee of the Postal Service” means an  
14 employee of the Postal Service—

15 (A) whose appointment is not for a limited  
16 period; and

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

20 **SEC. 206. MODIFICATION OF PREPAYMENT SCHEDULE RE-**  
21 **LATING TO POSTAL SERVICE RETIREE**  
22 **HEALTH BENEFITS FUND.**

23 (a) CONTRIBUTIONS.—Section 8906(g)(2)(A) of title  
24 5, United States Code, is amended by striking “through  
25 September 30, 2016, be paid by the United States Postal

1 Service, and thereafter shall” and inserting “after the date  
2 of enactment of the Innovate to Deliver Act of 2013”.

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

6 (1) by striking paragraph (2) and inserting the  
7 following:

8 “(2)(A) Not later than 180 days after the date of  
9 enactment of the Innovate to Deliver Act of 2013, the Of-  
10 fice shall compute, and by June 30 of each succeeding  
11 year, the Office shall recompute, a schedule including a  
12 series of annual installments which provide for the liquida-  
13 tion of the amount described under subparagraph (B) (re-  
14 gardless of whether the amount is a liability or surplus)  
15 by September 30, 2053, or within 15 years, whichever is  
16 later, including interest at the rate used in the computa-  
17 tions under this subsection.

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

22 “(i) 80 percent of the Postal Service actuarial  
23 liability as of September 30 of the most recently  
24 ended fiscal year; and



1           “(ii) the value of the assets of the Postal Re-  
2           tiree Health Benefits Fund as of September 30 of  
3           the most recently ended fiscal year.”;

4           (2) in paragraph (3)—

5           (A) in subparagraph (A)—

6           (i) in clause (iii), by adding “and” at  
7           the end;

8           (ii) in clause (iv), by striking the  
9           semicolon at the end and inserting a pe-  
10          riod; and

11          (iii) by striking clauses (v) through  
12          (x); and

13          (B) in subparagraph (B), by striking  
14          “2017” and inserting “2016”;

15          (3) by striking paragraph (4) and inserting the  
16          following:

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

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

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

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

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

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

8 “(B) the net present value as computed under  
9 paragraph (1) attributable to the future service of  
10 United States Postal Service employees.”.

11 (c) UNPAID OBLIGATIONS OF THE POSTAL SERV-  
12 ICE.—Any obligation of the Postal Service under section  
13 8909a(d)(3)(A) of title 5, United States Code, as in effect  
14 on the day before the date of enactment of this Act, that  
15 remains unpaid as of such date of enactment shall be in-  
16 cluded in the recomputation requested in section  
17 8909a(d)(2) of such title (as amended by subsection (b)  
18 of this section).

19 (d) TECHNICAL AND CONFORMING AMENDMENTS.—

20 (1) HEADING.—The heading of section 8909a  
21 of title 5, United States Code, is amended by strik-  
22 ing “Benefit” and inserting “Benefits”.

23 (2) TABLE OF SECTIONS.—The table of sections  
24 at the beginning of chapter 89 of such title is

1 amended by striking the item relating to section  
2 8909a and inserting the following:

“8909a. Postal Service Retiree Health Benefits Fund.”.

3 **SEC. 207. STUDY ON USPS WORKFORCE REALIGNMENT AND**  
4 **RIGHT-SIZING OPTIONS.**

5 (a) IN GENERAL.—Not later than 1 year after the  
6 date of enactment of this Act, the Comptroller General  
7 shall submit to the Committee on Oversight and Govern-  
8 ment Reform of the House of Representatives and the  
9 Committee on Homeland Security and Governmental Af-  
10 fairs of the Senate a report on the workforce reduction  
11 or realignment methods used by the United States Postal  
12 Service to align its workforce with its needs.

13 (b) CONTENTS OF THE REPORT.—The report re-  
14 quired under subsection (a) shall include the following:

15 (1) The projected workforce needs of the Postal  
16 Service over the next 5 fiscal years, given the cur-  
17 rent mail volumes and the demand for Postal serv-  
18 ices.

19 (2) Possible options for allowing Postal Service  
20 employees who are eligible for voluntary early retire-  
21 ment to deposit voluntary separation incentive pay-  
22 ments to obtain service credit or to otherwise allow  
23 such payments to be credited in the computation of  
24 retirement annuity benefits.

1           (3) The terms and conditions for the voluntary  
2 separation incentive payments offered under section  
3 205.

4           (4) The number of employees in each job cat-  
5 egory and in each postal service area to whom the  
6 Postal Service has offered an incentive for voluntary  
7 separation, the number of offers of incentives for  
8 voluntary separation that have been accepted, the  
9 number of offers of incentives for voluntary separa-  
10 tion that remain pending, and the number of em-  
11 ployees in each job category and in each postal serv-  
12 ice area projected to separate from service during  
13 each quarter through the end of the first quarter of  
14 2016.

15           (5) The number of employees in each job cat-  
16 egory who are covered under chapter 83 or 84 of  
17 title 5, United States Code, and who have accepted  
18 offers of incentives for voluntary separation, includ-  
19 ing the number of employees covered under each  
20 chapter who voluntarily separated under subsection  
21 (a) of section 205 or the authority under subsection  
22 (b) of section 205.

23           (6) The total savings and work hour reductions  
24 by job category and postal service area that have  
25 been realized by the Postal Service as of the date of

1 the report and that are projected to be realized dur-  
2 ing each of the next 3 years as a result of the offers  
3 of incentives for voluntary separation.

4 (7) The total expenditures made by the Postal  
5 Service to provide incentives for voluntary separa-  
6 tion.

7 (8) Any training, retraining, or hiring that may  
8 be required by the authority the Postal Service is  
9 granted under this Act to develop and offer for sale  
10 nonpostal products and services.

11 **SEC. 208. APPLICABILITY OF PROVISIONS RELATING TO RE-**  
12 **DUCTIONS IN FORCE.**

13 Section 1005 is amended by adding at the end the  
14 following:

15 “(g)(1) Except as otherwise provided by any collective  
16 bargaining agreement entered into under chapter 12, the  
17 provisions of subchapter I of chapter 35 of title 5 and the  
18 regulations implementing such subchapter, shall apply to  
19 employees of the Postal Service who hold positions that  
20 are within bargaining units under section 1202.

21 “(2) Before using the authority provided in para-  
22 graph (1), the Postal Service shall demonstrate to the Of-  
23 fice of Personnel Management how it will comply with sec-  
24 tion 3502(a)(4) of title 5.”

1 **SEC. 209. ENHANCED REPORTING ON FACILITY NETWORK**  
2 **INITIATIVES.**

3 Section 404(d) is amended by adding at the end the  
4 following:

5 “(7)(A) The Postmaster General shall submit to the  
6 Committee on Homeland Security and Governmental Af-  
7 fairs of the Senate and the Committee on Oversight and  
8 Government Reform of the House of Representatives and  
9 the Postal Regulatory Commission a report that details  
10 plans to close or suspend a Postal Service retail or proc-  
11 essing facility during the period to which such report per-  
12 tains. The first such report shall be submitted not later  
13 than 120 days after the date of enactment of this para-  
14 graph. Reports shall be submitted semiannually there-  
15 after.

16 “(B) Each report submitted by the Postal Service  
17 under subparagraph (A) shall address, at a minimum—

18 “(i) the specific retail and processing facilities  
19 the Postal Service plans to suspend or close;

20 “(ii) the anticipated date of suspension or clo-  
21 sure of each such facility;

22 “(iii) the cost of continued operations at the fa-  
23 cilities for which closure is planned;

24 “(iv) the purpose of each such suspension or  
25 closure, as determined by paragraph (2)(A);

1           “(v) plans for the establishment of alternative  
2           access points for retail facilities listed in clause (i),  
3           including the date on which each such alternative ac-  
4           cess point shall open for business and the planned  
5           location of each such alternative access point;

6           “(vi) how each facility closure conforms with  
7           previously filed actions for suspension or closure;

8           “(vii) the timeline for closure or suspension ac-  
9           tivities described in paragraphs (1) and (3), and all  
10          other formal closure or suspension activities planned  
11          in connection with the retail facility closure;

12          “(viii) how work performed at mail processing  
13          facilities recommended for closure or consolidation  
14          will be transferred or absorbed by other facilities  
15          within the network;

16          “(ix) cost savings expected or achieved from  
17          consolidation of both retail and mail processing fa-  
18          cilities;

19          “(x) the impact of each planned closure on  
20          postal employees, including relocation or reassign-  
21          ment plans; and

22          “(xi) the status of ongoing suspensions or clo-  
23          sures identified in previous reports.”.

1 **TITLE III—POSTAL SERVICE IM-**  
2 **PROVEMENTS AND REGU-**  
3 **LATORY RELIEF**

4 **SEC. 301. PERMIT APPEAL RIGHTS FOR CLOSING OF POST-**  
5 **AL STATIONS AND BRANCHES.**

6 Section 404(d) is amended by adding after paragraph  
7 (7) (as added by section 208 of this Act) the following:

8 “(8) The provisions of paragraphs (1) through (6)  
9 shall apply to postal stations and branches in the same  
10 manner as the provisions apply to post offices.”.

11 **SEC. 302. INTRA-AGENCY COOPERATIVE AGREEMENTS.**

12 (a) IN GENERAL.—Section 411 is amended—

13 (1) in the section heading, by inserting “; **au-**  
14 **thority for intra-service agreement**” after  
15 **“agencies”**;

16 (2) by inserting “(a)” before “Executive agen-

17 cies within”; and

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

19 “(b) The Office of the Inspector General of the  
20 United States Postal Service and other components of the  
21 Postal Service may enter into intra-service agreements to  
22 furnish to each other property, both real and personal, and  
23 personal and nonpersonal services. The furnishing of prop-  
24 erty and services under this section shall be under such  
25 terms and conditions, including reimbursability, as the



1 head of the component concerned and the Inspector Gen-  
2 eral shall deem necessary.”.

3 (b) CLERICAL AMENDMENT.—The table of sections  
4 at the beginning of chapter 4 is amended by striking the  
5 item relating to section 411 and inserting the following:

“411. Cooperation with other Government agencies; authority for intra-service  
agreement.”.

6 **SEC. 303. GROUPING OF NEGOTIATED SERVICE AGREE-**  
7 **MENTS.**

8 Section 3622(d)(1) (as amended by section 107(b) of  
9 this Act) is further amended—

10 (1) in subparagraph (E) (as so redesignated by  
11 section 107(b)), by striking “and” at the end;

12 (2) in subparagraph (F) (as so redesignated by  
13 section 107(b)), by striking the period and inserting  
14 “; and”; and

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

16 “(G) treat similar or related agreements  
17 between the Postal Service and postal users col-  
18 lectively as a single product for purposes of this  
19 section to the extent the Commission deems  
20 such treatment to be consistent with policies of  
21 this title.”.

1 **SEC. 304. SIMPLIFICATION OF PROCESS FOR CLASSIFICA-**  
2 **TION OF COMPETITIVE PRODUCTS.**

3 Section 3642(b) is amended (in the matter before  
4 paragraph (1)) by striking “in accordance with” and in-  
5 serting the following: “as expeditiously as practicable. The  
6 Commission shall promptly admit a product into the com-  
7 petitive category if it meets”.

8 **SEC. 305. DEVELOPMENT OF NEW MARKET-DOMINANT**  
9 **CLASSES OF MAIL.**

10 (a) Section 102 is amended—

11 (1) in paragraph (9), by striking “and” at the  
12 end;

13 (2) in paragraph (10), by striking the period  
14 and inserting “; and”; and

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

16 “(11) ‘class of mail’ means a grouping of simi-  
17 lar products, subject to section 3622(d)(2)(A), as  
18 further defined by the Postal Regulatory Commis-  
19 sion.”.

20 (b) Section 3622(d)(2)(A) is amended by inserting  
21 “or under section 3643” after “Act”.

22 (c)(1) Subchapter III of chapter 36 is amended by  
23 adding at the end the following:

24 **“SEC. 3643. NEW CLASSES OF MAIL.**

25 “(a) IN GENERAL.—Upon request of the Postal Serv-  
26 ice or users of the mails, or upon its own initiative, the

1 Postal Regulatory Commission may change the classes of  
2 mail to which the annual limitation under section  
3 3622(d)(1) applies by adding new classes of mail. The  
4 Postal Regulatory Commission shall, within 18 months  
5 after the date of enactment of this section, promulgate  
6 (and may from time to time thereafter revise) regulations  
7 to carry out this section.

8 “(b) CRITERIA.—All determinations by the Postal  
9 Regulatory Commission under subsection (a) shall be  
10 made in accordance with the following criteria:

11 “(1) NEW MARKET.—Dominant classes of mail  
12 shall consist of products in the sale of which the  
13 Postal Service exercises sufficient market power that  
14 it can effectively set the price of such product sub-  
15 stantially above costs, raise prices significantly, de-  
16 crease quality, or decrease output, without risk of  
17 losing a significant level of business to other firms  
18 offering similar products.

19 “(2) PRODUCTS COVERED BY POSTAL MONOP-  
20 OLY.—Any new classes of mail containing any prod-  
21 ucts covered by the postal monopoly shall be subject  
22 to the requirements of section 3622(d)(1). For pur-  
23 poses of the preceding sentence, the term ‘product  
24 covered by the postal monopoly’ means any product  
25 the conveyance or transmission of which is reserved

1 to the United States under section 1696 of title 18,  
2 subject to the same exception as set forth in the last  
3 sentence of section 409(e)(1).

4 “(3) ADDITIONAL CONSIDERATIONS.—In mak-  
5 ing any decision under this section, due regard shall  
6 be given to—

7 “(A) the availability and nature of enter-  
8 prises in the private sector engaged in the deliv-  
9 ery of the product involved;

10 “(B) the views of those who use the prod-  
11 uct involved on the appropriateness of the pro-  
12 posed action; and

13 “(C) the likely impact of the proposed ac-  
14 tion on small business concerns (within the  
15 meaning of section 3641(h)).

16 “(c) NOTIFICATION AND PUBLICATION REQUIRE-  
17 MENTS.—

18 “(1) NOTIFICATION REQUIREMENT.—The Post-  
19 al Service shall, whenever it requests to add a new  
20 class of mail, file with the Postal Regulatory Com-  
21 mission and publish in the Federal Register a notice  
22 setting out the basis for its determination that the  
23 product satisfies the criteria under subsection (b).  
24 The provisions of section 504(g) shall be available  
25 with respect to any information required to be filed.

1           “(2) PUBLICATION REQUIREMENT.—The Postal  
 2           Regulatory Commission shall, whenever it changes  
 3           the list of market-dominant classes of mail, prescribe  
 4           new lists of classes of mail. The revised lists shall  
 5           indicate how and when any previous lists are super-  
 6           seded, and shall be published in the Federal Reg-  
 7           ister.

8           “(d) PROHIBITION.—Except as provided in section  
 9           3641, a class of mail that involves the physical delivery  
 10          of letters, printed matter, or packages may be offered by  
 11          the Postal Service unless it has been assigned as a new  
 12          class of mail—

13                   “(1) under this subchapter; or

14                   “(2) by or under any other provision of law.”.

15          (2) The table of sections at the beginning of chapter  
 16          36 is amended by inserting after the item relating to sec-  
 17          tion 3642 the following:

          “3643. New classes of mail.”.

18       **SEC. 306. EXPEDITED CONSIDERATION OF SERVICE**  
 19                               **CHANGES BY PRC.**

20          Section 3661 is amended—

21                   (1) by redesignating subsection (c) as sub-  
 22                   section (d); and

23                   (2) by inserting after subsection (b) the fol-  
 24                   lowing:

1       “(c) If the Postal Service seeks expedited processing  
2 for time-sensitive advisory opinions, it shall state such re-  
3 quest in its proposal filed under subsection (b) and the  
4 Commission, to the extent practical and in accordance  
5 with subsection (d), shall comply with the request for ex-  
6 pedited consideration.”.

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