

be authorized to appoint conferees with a ratio of 5 to 3.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 22), as amended, was read the third time and passed, as follows:

H.R. 22

*Resolved*, That the bill from the House of Representatives (H.R. 22) entitled "An Act to reform the postal laws of the United States," do pass with the following amendment:

Strike out all after the enacting clause and insert:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the "Postal Accountability and Enhancement Act".

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

Sec. 1. Short title; table of contents.

**TITLE I—DEFINITIONS; POSTAL SERVICES**

Sec. 101. Definitions.

Sec. 102. Postal Services.

**TITLE II—MODERN RATE REGULATION**

Sec. 201. Provisions relating to market-dominant products.

Sec. 202. Provisions relating to competitive products.

Sec. 203. Provisions relating to experimental and new products.

Sec. 204. Reporting requirements and related provisions.

Sec. 205. Complaints; appellate review and enforcement.

Sec. 206. Clerical amendment.

**TITLE III—MODERN SERVICE STANDARDS**

Sec. 301. Establishment of modern service standards.

Sec. 302. Postal service plan.

**TITLE IV—PROVISIONS RELATING TO FAIR COMPETITION**

Sec. 401. Postal Service Competitive Products Fund.

Sec. 402. Assumed Federal income tax on competitive products income.

Sec. 403. Unfair competition prohibited.

Sec. 404. Suits by and against the Postal Service.

Sec. 405. International postal arrangements.

**TITLE V—GENERAL PROVISIONS**

Sec. 501. Qualification and term requirements for Governors.

Sec. 502. Obligations.

Sec. 503. Private carriage of letters.

Sec. 504. Rulemaking authority.

Sec. 505. Noninterference with collective bargaining agreements.

Sec. 506. Bonus authority.

**TITLE VI—ENHANCED REGULATORY COMMISSION**

Sec. 601. Reorganization and modification of certain provisions relating to the Postal Regulatory Commission.

Sec. 602. Authority for Postal Regulatory Commission to issue subpoenas.

Sec. 603. Authorization of appropriations from the Postal Service Fund.

Sec. 604. Redesignation of the Postal Rate Commission.

Sec. 605. Financial transparency.

**TITLE VII—EVALUATIONS**

Sec. 701. Assessments of ratemaking, classification, and other provisions.

Sec. 702. Report on universal postal service and the postal monopoly.

Sec. 703. Study on equal application of laws to competitive products.

Sec. 704. Report on postal workplace safety and workplace-related injuries.

Sec. 705. Study on recycled paper.

**TITLE VIII—POSTAL SERVICE RETIREMENT AND HEALTH BENEFITS FUNDING**

Sec. 801. Short title.

Sec. 802. Civil Service Retirement System.

Sec. 803. Health insurance.

Sec. 804. Repeal of disposition of savings provision.

Sec. 805. Effective dates.

**TITLE IX—COMPENSATION FOR WORK INJURIES**

Sec. 901. Temporary disability; continuation of pay.

Sec. 902. Disability retirement for postal employees.

**TITLE X—MISCELLANEOUS**

Sec. 1001. Employment of postal police officers.

Sec. 1002. Obsolete provisions.

Sec. 1003. Reduced rates.

Sec. 1004. Sense of Congress regarding Postal Service purchasing reform.

Sec. 1005. Contracts for transportation of mail by air.

**TITLE I—DEFINITIONS; POSTAL SERVICES**

**SEC. 101. DEFINITIONS.**

Section 102 of title 39, United States Code, is amended by striking "and" at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting a semicolon, and by adding at the end the following:

"(5) 'postal service' refers to the physical delivery of letters, printed matter, or packages weighing up to 70 pounds, including physical acceptance, collection, sorting, transportation, or other functions ancillary thereto;

"(6) 'product' means a postal service with a distinct cost or market characteristic for which a rate or rates are applied;

"(7) 'rates', as used with respect to products, includes fees for postal services;

"(8) 'market-dominant product' or 'product in the market-dominant category of mail' means a product subject to subchapter I of chapter 36; and

"(9) 'competitive product' or 'product in the competitive category of mail' means a product subject to subchapter II of chapter 36; and

"(10) 'year', as used in chapter 36 (other than subchapters I and VI thereof), means a fiscal year."

**SEC. 102. POSTAL SERVICES.**

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

(1) in subsection (a), by striking paragraph (6) and by redesignating paragraphs (7) through (9) as paragraphs (6) through (8), respectively; and

(2) by adding at the end the following:

"(c) Except as provided in section 411, nothing in this title shall be considered to permit or require that the Postal Service provide any special nonpostal or similar services."

(b) **CONFORMING AMENDMENTS.**—(1) Section 1402(b)(1)(B)(ii) of the Victims of Crime Act of 1984 (98 Stat. 2170; 42 U.S.C. 10601(b)(1)(B)(ii)) is amended by striking "404(a)(8)" and inserting "404(a)(7)".

(2) Section 2003(b)(1) of title 39, United States Code, is amended by striking "and nonpostal".

**TITLE II—MODERN RATE REGULATION**

**SEC. 201. PROVISIONS RELATING TO MARKET-DOMINANT PRODUCTS.**

(a) **IN GENERAL.**—Chapter 36 of title 39, United States Code, is amended by striking sections 3621 and 3622 and inserting the following:

**"§3621. Applicability; definitions**

"(a) **APPLICABILITY.**—This subchapter shall apply with respect to—

"(1) first-class mail letters and sealed parcels;

"(2) first-class mail cards;

"(3) periodicals;

"(4) standard mail;

"(5) single-piece parcel post;

"(6) media mail;

"(7) bound printed matter;

"(8) library mail;

"(9) special services; and

"(10) single-piece international mail, subject to any changes the Postal Regulatory Commission may make under section 3642.

"(b) **RULE OF CONSTRUCTION.**—Mail matter referred to in subsection (a) shall, for purposes of this subchapter, be considered to have the meaning given to such mail matter under the mail classification schedule.

**"§3622. Modern rate regulation**

"(a) **AUTHORITY GENERALLY.**—The Postal Regulatory Commission shall, within 12 months after the date of enactment of this section, by regulation establish (and may from time to time thereafter by regulation revise) a modern system for regulating rates and classes for market-dominant products.

"(b) **OBJECTIVES.**—Such system shall be designed to achieve the following objectives, each of which shall be applied in conjunction with the others:

"(1) To reduce the administrative burden and increase the transparency of the ratemaking process while affording reasonable opportunities for interested parties to participate in that process.

"(2) To create predictability and stability in rates.

"(3) To maximize incentives to reduce costs and increase efficiency.

"(4) To enhance mail security and deter terrorism by promoting secure, sender-identified mail.

"(5) To allow the Postal Service pricing flexibility, including the ability to use pricing to promote intelligent mail and encourage increased mail volume during nonpeak periods.

"(6) To assure adequate revenues, including retained earnings, to maintain financial stability and meet the service standards established under section 3691.

"(7) To allocate the total institutional costs of the Postal Service equitably between market-dominant and competitive products.

"(8) To establish and maintain a just and reasonable schedule for rates and classifications, however the objective under this paragraph shall not be construed to prohibit the Postal Service from making changes of unequal magnitude within, between, or among classes of mail.

"(c) **FACTORS.**—In establishing or revising such system, the Postal Regulatory Commission shall take into account—

"(1) the value of the mail service actually provided each class or type of mail service to both the sender and the recipient, including but not limited to the collection, mode of transportation, and priority of delivery;

"(2) the requirement that each class of mail or type of mail service bear the direct and indirect postal costs attributable to each class or type of mail service through reliably identified causal relationships plus that portion of all other costs of the Postal Service reasonably assignable to such class or type;

"(3) the effect of rate increases upon the general public, business mail users, and enterprises in the private sector of the economy engaged in the delivery of mail matter other than letters;

"(4) the available alternative means of sending and receiving letters and other mail matter at reasonable costs;

"(5) the degree of preparation of mail for delivery into the postal system performed by the mailer and its effect upon reducing costs to the Postal Service;

"(6) simplicity of structure for the entire schedule and simple, identifiable relationships between the rates or fees charged the various classes of mail for postal services;

"(7) the importance of pricing flexibility to encourage increased mail volume and operational efficiency;

"(8) the relative value to the people of the kinds of mail matter entered into the postal system and the desirability and justification for special classifications and services of mail;