

AMENDMENT NO. _____ Calendar No. _____

Purpose: To reform the postal laws of the United States.

IN THE SENATE OF THE UNITED STATES—108th Cong., 2d Sess.

S. 2468

To reform the postal laws of the United States.

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 Ms. COLLINS (for herself and Mr.
CARPER)

Viz:

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Postal Accountability and Enhancement Act”.

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

Sec. 1. Short title; table of contents.

TITLE I—DEFINITIONS; POSTAL SERVICES

Sec. 101. Definitions.

Sec. 102. Postal services.

2

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.

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. Appropriations for the Postal Regulatory Commission.
- 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.

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. Expanded contracting authority.

1 **TITLE I—DEFINITIONS; POSTAL**
2 **SERVICES**

3 **SEC. 101. DEFINITIONS.**

4 Section 102 of title 39, United States Code, is
5 amended by striking “and” at the end of paragraph (3),
6 by striking the period at the end of paragraph (4) and
7 inserting a semicolon, and by adding at the end the fol-
8 lowing:

9 “(5) ‘postal service’ refers to the physical deliv-
10 ery of letters, printed matter, or packages weighing
11 up to 70 pounds, including physical acceptance, col-
12 lection, sorting, transportation, or other services an-
13 cillary thereto;

14 “(6) ‘product’ means a postal service with a
15 distinct cost or market characteristic for which a
16 rate or rates are applied;

17 “(7) ‘rates’, as used with respect to products,
18 includes fees for postal services;

19 “(8) ‘market-dominant product’ or ‘product in
20 the market-dominant category of mail’ means a
21 product subject to subchapter I of chapter 36; and

1 “(9) ‘competitive product’ or ‘product in the
2 competitive category of mail’ means a product sub-
3 ject to subchapter II of chapter 36; and

4 “(10) ‘year’, as used in chapter 36 (other than
5 subchapters I and VI thereof), means a fiscal year.”.

6 **SEC. 102. POSTAL SERVICES.**

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

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

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

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

17 (b) CONFORMING AMENDMENTS.—(1) Section
18 1402(b)(1)(B)(ii) of the Victims of Crime Act of 1984 (98
19 Stat. 2170; 42 U.S.C. 10601(b)(1)(B)(ii)) is amended by
20 striking “404(a)(8)” and inserting “404(a)(7)”.

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

1 **TITLE II—MODERN RATE**
2 **REGULATION**

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

5 (a) IN GENERAL.—Chapter 36 of title 39, United
6 States Code, is amended by striking sections 3621, 3622,
7 and 3623 and inserting the following:

8 **“§ 3621. Applicability; definitions**

9 “(a) APPLICABILITY.—This subchapter shall apply
10 with respect to—

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

12 “(2) first-class mail cards;

13 “(3) periodicals;

14 “(4) standard mail;

15 “(5) single-piece parcel post;

16 “(6) media mail;

17 “(7) bound printed matter;

18 “(8) library mail;

19 “(9) special services; and

20 “(10) single-piece international mail,

21 subject to any changes the Postal Regulatory Commission
22 may make under section 3642.

23 “(b) RULE OF CONSTRUCTION.—Mail matter re-
24 ferred to in subsection (a) shall, for purposes of this sub-

1 chapter, be considered to have the meaning given to such
2 mail matter under the mail classification schedule.

3 **“§ 3622. Modern rate regulation**

4 “(a) **AUTHORITY GENERALLY.**—The Postal Regu-
5 latory Commission shall, within 12 months after the date
6 of the enactment of this section, by regulation establish
7 (and may from time to time thereafter by regulation re-
8 vise) a modern system for regulating rates and classes for
9 market-dominant products.

10 “(b) **OBJECTIVES.**—Such system shall be designed to
11 achieve the following objectives:

12 “(1) To reduce the administrative burden and
13 increase the transparency of the ratemaking process
14 while affording reasonable opportunities for inter-
15 ested parties to participate in that process.

16 “(2) To create predictability and stability in
17 rates.

18 “(3) To maximize incentives to reduce costs
19 and increase efficiency.

20 “(4) To enhance mail security and deter ter-
21 rorism by promoting secure, sender-identified mail.

22 “(5) To allow the Postal Service pricing flexi-
23 bility, including the ability to use pricing to promote
24 intelligent mail and encourage increased mail volume
25 during nonpeak periods.

1 “(6) To assure adequate revenues, including re-
2 tained earnings, to maintain financial stability and
3 meet the service standards established under section
4 3691.

5 “(7) To allocate the total institutional costs of
6 the Postal Service equitably between market-domi-
7 nant and competitive products.

8 “(c) FACTORS.—In establishing or revising such sys-
9 tem, the Postal Regulatory Commission shall take into
10 account—

11 “(1) the establishment and maintenance of a
12 fair and equitable schedule for rates and classifica-
13 tion system;

14 “(2) the value of the mail service actually pro-
15 vided each class or type of mail service to both the
16 sender and the recipient, including but not limited to
17 the collection, mode of transportation, and priority
18 of delivery;

19 “(3) the requirement that each class of mail or
20 type of mail service bear the direct and indirect
21 postal costs attributable to each class or type of mail
22 service plus that portion of all other costs of the
23 Postal Service reasonably assignable to such class or
24 type;

1 “(4) the effect of rate increases upon the gen-
2 eral public, business mail users, and enterprises in
3 the private sector of the economy engaged in the de-
4 livery of mail matter other than letters;

5 “(5) the available alternative means of sending
6 and receiving letters and other mail matter at rea-
7 sonable costs;

8 “(6) the degree of preparation of mail for deliv-
9 ery into the postal system performed by the mailer
10 and its effect upon reducing costs to the Postal
11 Service;

12 “(7) simplicity of structure for the entire sched-
13 ule and simple, identifiable relationships between the
14 rates or fees charged the various classes of mail for
15 postal services;

16 “(8) the relative value to the people of the
17 kinds of mail matter entered into the postal system
18 and the desirability and justification for special clas-
19 sifications and services of mail;

20 “(9) the importance of providing classifications
21 with extremely high degrees of reliability and speed
22 of delivery and of providing those that do not re-
23 quire high degrees of reliability and speed of deliv-
24 ery;

1 “(10) the desirability of special classifications
2 from the point of view of both the user and of the
3 Postal Service;

4 “(11) the educational, cultural, scientific, and
5 informational value to the recipient of mail matter;
6 and

7 “(12) the policies of this title as well as such
8 other factors as the Commission deems appropriate.

9 “(d) REQUIREMENTS.—The system for regulating
10 rates and classes for market-dominant products shall—

11 “(1) require the Postal Regulatory Commission
12 to set annual limitations on the percentage changes
13 in rates based on inflation using indices, such as the
14 Consumer Price Index, the Employment Cost Index,
15 the Gross Domestic Product Price Index, or any
16 similar measure as the Postal Regulatory Commis-
17 sion may prescribe;

18 “(2) establish a schedule whereby rates, when
19 necessary and appropriate, would change at regular
20 intervals by predictable amounts;

21 “(3) not later than 45 days before the imple-
22 mentation of any adjustment in rates under this
23 section—

24 “(A) require the Postal Service to provide
25 public notice of the adjustment;

1 “(B) provide an opportunity for review by
2 the Postal Regulatory Commission;

3 “(C) provide for the Postal Regulatory
4 Commission to notify the Postal Service of any
5 noncompliance of the adjustment with the limi-
6 tation under paragraph (1); and

7 “(D) require the Postal Service to respond
8 to the notice provided under subparagraph (C)
9 and describe the actions to be taken to comply
10 with the limitation under paragraph (1).

11 “(4) notwithstanding any limitation set under
12 paragraphs (1) and (3), establish procedures where-
13 by rates may be adjusted on an expedited basis due
14 to unexpected and extraordinary circumstances.

15 “(e) WORKSHARE DISCOUNTS.—

16 “(1) DEFINITION.—In this subsection, the term
17 ‘workshare discount’ refers to rate discounts pro-
18 vided to mailers for the presorting, prebarcoding,
19 handling, or transportation of mail, as further de-
20 fined by the Postal Regulatory Commission under
21 subsection (a).

22 “(2) REGULATIONS.—As part of the regulations
23 established under subsection (a), the Postal Regu-
24 latory Commission shall establish rules for
25 workshare discounts that ensure that such discounts

1 do not exceed the cost that the Postal Service avoids
2 as a result of workshare activity, unless—

3 “(A) the discount is—

4 “(i) associated with a new postal serv-
5 ice or with a change to an existing postal
6 service; and

7 “(ii) necessary to induce mailer behav-
8 ior that furthers the economically efficient
9 operation of the Postal Service;

10 “(B) a reduction in the discount would—

11 “(i) lead to a loss of volume in the af-
12 fected category of mail and reduce the ag-
13 gregate contribution to institutional costs
14 of the Postal Service from the mail matter
15 subject to the discount below what it other-
16 wise would have been if the discount had
17 not been reduced to costs avoided;

18 “(ii) result in a further increase in the
19 rates paid by mailers not able to take ad-
20 vantage of the discount; or

21 “(iii) impede the efficient operation of
22 the Postal Service;

23 “(C) the amount of the discount above
24 costs avoided—

1 “(i) is necessary to mitigate rate
2 shock; and

3 “(ii) will be phased out over time;

4 “(D) the workshare discount is provided in
5 connection with subclasses of mail consisting
6 exclusively of mail matter of educational, cul-
7 tural, or scientific value; or

8 “(E) the Postal Regulatory Commission
9 determines that such discounts are reasonable
10 and equitable and consistent with the objectives
11 and factors taken into account under sub-
12 sections (b) and (c).

13 “(3) REPORT.—Whenever the Postal Service es-
14 tablishes or maintains a workshare discount, the
15 Postal Service shall, at the time it publishes the
16 workshare discount rate, submit to the Postal Regu-
17 latory Commission a detailed report and explanation
18 of the Postal Service’s reasons for establishing or
19 maintaining the rate, setting forth the data, eco-
20 nomic analyses, and other information relied on by
21 the Postal Service to justify the rate.

22 “(f) TRANSITION RULE.—Until regulations under
23 this section first take effect, rates and classes for market-
24 dominant products shall remain subject to modification in
25 accordance with the provisions of this chapter and section

1 407, as such provisions were last in effect before the date
2 of the enactment of this section.

3 **“§ 3623. Service agreements for market-dominant**
4 **products**

5 “(a) IN GENERAL.—

6 “(1) AUTHORITY.—The Postal Service may
7 enter into service agreements with a customer or
8 group of customers that provide for the provision of
9 postal services under terms, conditions, or service
10 standards that differ from those that would apply
11 under the otherwise applicable classification of mar-
12 ket-dominant mail.

13 “(2) AGREEMENTS.—An agreement under this
14 section may involve—

15 “(A) performance by the contracting mail
16 user of mail preparation, processing, transpor-
17 tation, or other functions;

18 “(B) performance by the Postal Service of
19 additional mail preparation, processing, trans-
20 portation, or other functions; or

21 “(C) other terms and conditions that meet
22 the requirements of subsections (b) and (c).

23 “(b) REQUIREMENTS.—A service agreement under
24 this section may be entered into only if each of the fol-
25 lowing conditions is met:

1 “(1) The total revenue generated under the
2 agreement—

3 “(A) will cover all Postal Service costs at-
4 tributable to the postal services covered by the
5 agreement; and

6 “(B) will result in no less contribution to
7 the institutional costs of the Postal Service than
8 would have been generated had the agreement
9 not been entered into.

10 “(2) Rates or fees for other mailers will not in-
11 crease as a result of the agreement.

12 “(3) The agreement pertains exclusively to
13 products in the market-dominant category of mail.

14 “(4) The agreement will not preclude or materi-
15 ally hinder similarly situated mail users from enter-
16 ing into agreements with the Postal Service on the
17 same, or substantially the same terms or conditions,
18 and the Postal Service remains willing and able to
19 enter into such.

20 “(c) LIMITATIONS.—A service agreement under this
21 section shall—

22 “(1) be for a term not to exceed 3 years; and

23 “(2) provide that such agreement shall be sub-
24 ject to the cancellation authority of the Commission
25 under section 3662.

1 “(d) NOTICE REQUIREMENTS.—

2 “(1) IN GENERAL.—At least 30 days before a
3 service agreement under this section is to take ef-
4 fect, the Postal Service shall file with the Postal
5 Regulatory Commission and publish in the Federal
6 Register the following information with respect to
7 such agreement:

8 “(A) A description of the postal services
9 the agreement involves.

10 “(B) A description of the functions the
11 customer is to perform under the agreement.

12 “(C) A description of the functions the
13 Postal Service is to perform under the agree-
14 ment.

15 “(D) The rates and fees payable by the
16 customer during the term of the agreement.

17 “(E) With respect to each condition under
18 subsection (b), information sufficient to dem-
19 onstrate the bases for the view of the Postal
20 Service that such condition would be met.

21 “(2) AGREEMENTS LESS THAN NATIONAL IN
22 SCOPE.—In the case of a service agreement under
23 this section that is less than national in scope, the
24 information described under paragraph (1) shall also
25 be published by the Postal Service in a manner de-

1 signed to afford reasonable notice to persons within
2 any geographic area to which such agreement (or
3 any amendment to that agreement) pertains.

4 “(e) EQUAL TREATMENT REQUIRED.—If the Postal
5 Service enters into a service agreement with a mailer
6 under this section, the Postal Service shall make such
7 agreement available to similarly situated mailers on func-
8 tionally equivalent terms and conditions consistent with
9 the regulatory system established under section 3622
10 without unreasonable distinctions based on mailer profiles,
11 provided that such distinctions, if ignored, would not
12 render any subsequent agreement uneconomic or imprac-
13 tical.

14 “(f) COMPLAINTS.—Any person who believes that a
15 service agreement under this section is not in conformance
16 with the requirements of this section, or who is aggrieved
17 by a decision of the Postal Service not to enter into an
18 agreement under this section, may file a complaint with
19 the Postal Regulatory Commission in accordance with sec-
20 tion 3662.

21 “(g) POSTAL REGULATORY COMMISSION ROLE.—

22 “(1) REGULATIONS.—The Postal Regulatory
23 Commission may promulgate such regulations re-
24 garding service agreements as the Commission de-

1 termines necessary to implement the requirements of
2 this section.

3 “(2) REVIEW.—The Postal Regulatory Commis-
4 sion may review any agreement or proposed agree-
5 ment under this section and may suspend, cancel, or
6 prevent such agreement if the Commission finds that
7 the agreement does not meet the requirements of
8 this section.

9 “(h) INTERPRETATION.—The determination of
10 whether the revenue generated under the agreement meets
11 the requirements of subsection (b)(1)(B) shall be based,
12 to the extent practicable, on the actual contribution of the
13 mail involved, not on the average contribution made by
14 the mail classification most similar to the services per-
15 formed under the agreement. If mailer-specific data is not
16 available, the bases for the determination used shall be
17 provided and shall include a discussion of the suitability
18 of the data used, in accordance with regulations estab-
19 lished by the Postal Regulatory Commission.”.

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

22 (c) REDESIGNATION.—Chapter 36 of title 39, United
23 States Code (as in effect after the amendment made by
24 section 601, but before the amendment made by section

1 202) is amended by striking the heading for subchapter
2 II and inserting the following:

3 “SUBCHAPTER I—PROVISIONS RELATING TO
4 MARKET-DOMINANT PRODUCTS”.

5 **SEC. 202. PROVISIONS RELATING TO COMPETITIVE PROD-**
6 **UCTS.**

7 Chapter 36 of title 39, United States Code, is amend-
8 ed by inserting after section 3629 the following:

9 “SUBCHAPTER II—PROVISIONS RELATING TO
10 COMPETITIVE PRODUCTS

11 **“§ 3631. Applicability; definitions and updates**

12 “(a) APPLICABILITY.—This subchapter shall apply
13 with respect to—

14 “(1) priority mail;

15 “(2) expedited mail;

16 “(3) bulk parcel post;

17 “(4) bulk international mail; and

18 “(5) mailgrams;

19 subject to subsection (d) and any changes the Postal Reg-
20 ulatory Commission may make under section 3642.

21 “(b) DEFINITION.—For purposes of this subchapter,
22 the term ‘costs attributable’, as used with respect to a
23 product, means the direct and indirect postal costs attrib-
24 utable to such product.

1 “(c) RULE OF CONSTRUCTION.—Mail matter re-
2 ferred to in subsection (a) shall, for purposes of this sub-
3 chapter, be considered to have the meaning given to such
4 mail matter under the mail classification schedule.

5 “(d) LIMITATION.—Notwithstanding any other provi-
6 sion of this section, nothing in this subchapter shall be
7 considered to apply with respect to any product then cur-
8 rently in the market-dominant category of mail.

9 **“§ 3632. Action of the Governors**

10 “(a) AUTHORITY TO ESTABLISH RATES AND CLASS-
11 ES.—The Governors, with the written concurrence of a
12 majority of all of the Governors then holding office, shall
13 establish rates and classes for products in the competitive
14 category of mail in accordance with the requirements of
15 this subchapter and regulations promulgated under sec-
16 tion 3633.

17 “(b) PROCEDURES.—

18 “(1) IN GENERAL.—Rates and classes shall be
19 established in writing, complete with a statement of
20 explanation and justification, and the date as of
21 which each such rate or class takes effect.

22 “(2) PUBLIC NOTICE; REVIEW; AND COMPLI-
23 ANCE.—Not later than 30 days before the date of
24 implementation of any adjustment in rates under
25 this section—

1 “(2) ensure that each competitive product cov-
2 ers its costs attributable; and

3 “(3) ensure that all competitive products collec-
4 tively cover their share of the institutional costs of
5 the Postal Service.”.

6 **SEC. 203. PROVISIONS RELATING TO EXPERIMENTAL AND**
7 **NEW PRODUCTS.**

8 Subchapter III of chapter 36 of title 39, United
9 States Code, is amended to read as follows:

10 “SUBCHAPTER III—PROVISIONS RELATING TO
11 EXPERIMENTAL AND NEW PRODUCTS

12 “§ 3641. **Market tests of experimental products**

13 “(a) **AUTHORITY.**—

14 “(1) **IN GENERAL.**—The Postal Service may
15 conduct market tests of experimental products in ac-
16 cordance with this section.

17 “(2) **PROVISIONS WAIVED.**—A product shall
18 not, while it is being tested under this section, be
19 subject to the requirements of sections 3622, 3633,
20 or 3642, or regulations promulgated under those
21 sections.

22 “(b) **CONDITIONS.**—A product may not be tested
23 under this section unless it satisfies each of the following:

24 “(1) **SIGNIFICANTLY DIFFERENT PRODUCT.**—

25 The product is, from the viewpoint of the mail users,

1 significantly different from all products offered by
2 the Postal Service within the 2-year period preceding
3 the start of the test.

4 “(2) MARKET DISRUPTION.—The introduction
5 or continued offering of the product will not create
6 an unfair or otherwise inappropriate competitive ad-
7 vantage for the Postal Service or any mailer, par-
8 ticularly in regard to small business concerns (as de-
9 fined under subsection (h)).

10 “(3) CORRECT CATEGORIZATION.—The Postal
11 Service identifies the product, for the purpose of a
12 test under this section, as either market-dominant or
13 competitive, consistent with the criteria under sec-
14 tion 3642(b)(1). Costs and revenues attributable to
15 a product identified as competitive shall be included
16 in any determination under section 3633(3)(relating
17 to provisions applicable to competitive products col-
18 lectively). Any test that solely affects products cur-
19 rently classified as competitive, or which provides
20 services ancillary to only competitive products, shall
21 be presumed to be in the competitive product cat-
22 egory without regard to whether a similar ancillary
23 product exists for market-dominant products.

24 “(c) NOTICE.—

1 “(1) IN GENERAL.—At least 30 days before ini-
2 tiating a market test under this section, the Postal
3 Service shall file with the Postal Regulatory Com-
4 mission and publish in the Federal Register a
5 notice—

6 “(A) setting out the basis for the Postal
7 Service’s determination that the market test is
8 covered by this section; and

9 “(B) describing the nature and scope of
10 the market test.

11 “(2) SAFEGUARDS.—For a competitive experi-
12 mental product, the provisions of section 504(g)
13 shall be available with respect to any information re-
14 quired to be filed under paragraph (1) to the same
15 extent and in the same manner as in the case of any
16 matter described in section 504(g)(1). Nothing in
17 paragraph (1) shall be considered to permit or re-
18 quire the publication of any information as to which
19 confidential treatment is accorded under the pre-
20 ceding sentence (subject to the same exception as set
21 forth in section 504(g)(3)).

22 “(d) DURATION.—

23 “(1) IN GENERAL.—A market test of a product
24 under this section may be conducted over a period
25 of not to exceed 24 months.

1 “(2) EXTENSION AUTHORITY.—If necessary in
2 order to determine the feasibility or desirability of a
3 product being tested under this section, the Postal
4 Regulatory Commission may, upon written applica-
5 tion of the Postal Service (filed not later than 60
6 days before the date as of which the testing of such
7 product would otherwise be scheduled to terminate
8 under paragraph (1)), extend the testing of such
9 product for not to exceed an additional 12 months.

10 “(e) DOLLAR-AMOUNT LIMITATION.—

11 “(1) IN GENERAL.—A product may only be
12 tested under this section if the total revenues that
13 are anticipated, or in fact received, by the Postal
14 Service from such product do not exceed
15 \$10,000,000 in any year, subject to paragraph (2)
16 and subsection (g).

17 “(2) EXEMPTION AUTHORITY.—The Postal
18 Regulatory Commission may, upon written applica-
19 tion of the Postal Service, exempt the market test
20 from the limit in paragraph (1) if the total revenues
21 that are anticipated, or in fact received, by the Post-
22 al Service from such product do not exceed
23 \$50,000,000 in any year, subject to subsection (g).
24 In reviewing an application under this paragraph,

1 the Postal Regulatory Commission shall approve
2 such application if it determines that—

3 “(A) the product is likely to benefit the
4 public and meet an expected demand;

5 “(B) the product is likely to contribute to
6 the financial stability of the Postal Service; and

7 “(C) the product is not likely to result in
8 unfair or otherwise inappropriate competition.

9 “(f) CANCELLATION.—If the Postal Regulatory Com-
10 mission at any time determines that a market test under
11 this section fails to meet 1 or more of the requirements
12 of this section, it may order the cancellation of the test
13 involved or take such other action as it considers appro-
14 priate. A determination under this subsection shall be
15 made in accordance with such procedures as the Commis-
16 sion shall by regulation prescribe.

17 “(g) ADJUSTMENT FOR INFLATION.—For purposes
18 of each year following the year in which occurs the dead-
19 line for the Postal Service’s first report to the Postal Reg-
20 ulatory Commission under section 3652(a), each dollar
21 amount contained in this section shall be adjusted by the
22 change in the Consumer Price Index for such year (as de-
23 termined under regulations of the Commission).

24 “(h) DEFINITION OF A SMALL BUSINESS CON-
25 CERN.—The criteria used in defining small business con-

1 cerns or otherwise categorizing business concerns as small
2 business concerns shall, for purposes of this section, be
3 established by the Postal Regulatory Commission in con-
4 formance with the requirements of section 3 of the Small
5 Business Act.

6 “(i) EFFECTIVE DATE.—Market tests under this
7 subchapter may be conducted in any year beginning with
8 the first year in which occurs the deadline for the Postal
9 Service’s first report to the Postal Regulatory Commission
10 under section 3652(a).

11 **“§ 3642. New products and transfers of products be-**
12 **tween the market-dominant and competi-**
13 **tive categories of mail**

14 “(a) IN GENERAL.—Upon request of the Postal Serv-
15 ice or users of the mails, or upon its own initiative, the
16 Postal Regulatory Commission may change the list of
17 market-dominant products under section 3621 and the list
18 of competitive products under section 3631 by adding new
19 products to the lists, removing products from the lists, or
20 transferring products between the lists.

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

24 “(1) The market-dominant category of products
25 shall consist of each product in the sale of which the

1 Postal Service exercises sufficient market power that
2 it can effectively set the price of such product sub-
3 stantially above costs, raise prices significantly, de-
4 crease quality, or decrease output, without risk of
5 losing substantial business to other firms offering
6 similar products. The competitive category of prod-
7 ucts shall consist of all other products.

8 “(2) EXCLUSION OF PRODUCTS COVERED BY
9 POSTAL MONOPOLY.—A product covered by the post-
10 al monopoly shall not be subject to transfer under
11 this section from the market-dominant category of
12 mail. For purposes of the preceding sentence, the
13 term ‘product covered by the postal monopoly’
14 means any product the conveyance or transmission
15 of which is reserved to the United States under sec-
16 tion 1696 of title 18, subject to the same exception
17 as set forth in the last sentence of section 409(e)(1).

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

21 “(A) the availability and nature of enter-
22 prises in the private sector engaged in the deliv-
23 ery of the product involved;

1 “(B) the views of those who use the prod-
2 uct involved on the appropriateness of the pro-
3 posed action; and

4 “(C) the likely impact of the proposed ac-
5 tion on small business concerns (within the
6 meaning of section 3641(h)).

7 “(c) TRANSFERS OF SUBCLASSES AND OTHER SUB-
8 ORDINATE UNITS ALLOWABLE.—Nothing in this title
9 shall be considered to prevent transfers under this section
10 from being made by reason of the fact that they would
11 involve only some (but not all) of the subclasses or other
12 subordinate units of the class of mail or type of postal
13 service involved (without regard to satisfaction of min-
14 imum quantity requirements standing alone).

15 “(d) NOTIFICATION AND PUBLICATION REQUIRE-
16 MENTS.—

17 “(1) NOTIFICATION REQUIREMENT.—The Post-
18 al Service shall, whenever it requests to add a prod-
19 uct or transfer a product to a different category, file
20 with the Postal Regulatory Commission and publish
21 in the Federal Register a notice setting out the basis
22 for its determination that the product satisfies the
23 criteria under subsection (b) and, in the case of a
24 request to add a product or transfer a product to
25 the competitive category of mail, that the product

1 meets the regulations promulgated by the Postal
2 Regulatory Commission under section 3633. The
3 provisions of section 504(g) shall be available with
4 respect to any information required to be filed.

5 “(2) PUBLICATION REQUIREMENT.—The Postal
6 Regulatory Commission shall, whenever it changes
7 the list of products in the market-dominant or com-
8 petitive category of mail, prescribe new lists of prod-
9 ucts. The revised lists shall indicate how and when
10 any previous lists (including the lists under sections
11 3621 and 3631) are superseded, and shall be pub-
12 lished in the Federal Register.

13 “(e) PROHIBITION.—Except as provided in section
14 3641, no product that involves the physical delivery of let-
15 ters, printed matter, or packages may be offered by the
16 Postal Service unless it has been assigned to the market-
17 dominant or competitive category of mail (as appropriate)
18 either—

19 “(1) under this subchapter; or

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

21 **SEC. 204. REPORTING REQUIREMENTS AND RELATED PRO-**
22 **VISIONS.**

23 (a) REDESIGNATION.—Chapter 36 of title 39, United
24 States Code (as in effect before the amendment made by
25 subsection (b)) is amended—

1 (1) by striking the heading for subchapter IV
2 and inserting the following:

3 “SUBCHAPTER V—POSTAL SERVICES,
4 COMPLAINTS, AND JUDICIAL REVIEW”; and

5 (2) by striking the heading for subchapter V
6 and inserting the following:

7 “SUBCHAPTER VI—GENERAL”.

8 (b) REPORTS AND COMPLIANCE.—Chapter 36 of title
9 39, United States Code, is amended by inserting after sub-
10 chapter III the following:

11 “SUBCHAPTER IV—REPORTING
12 REQUIREMENTS AND RELATED PROVISIONS

13 **“§ 3651. Annual reports by the Commission**

14 “(a) IN GENERAL.—The Postal Regulatory Commis-
15 sion shall submit an annual report to the President and
16 the Congress concerning the operations of the Commission
17 under this title, including the extent to which regulations
18 are achieving the objectives under sections 3622, 3633,
19 and 3691.

20 “(b) INFORMATION FROM POSTAL SERVICE.—The
21 Postal Service shall provide the Postal Regulatory Com-
22 mission with such information as may, in the judgment
23 of the Commission, be necessary in order for the Commis-
24 sion to prepare its reports under this section.

1 **“§ 3652. Annual reports to the Commission**

2 “(a) COSTS, REVENUES, RATES, AND SERVICE.—EX-
3 cept as provided in subsection (c), the Postal Service shall,
4 no later than 90 days after the end of each year, prepare
5 and submit to the Postal Regulatory Commission a report
6 (together with such nonpublic annex to the report as the
7 Commission may require under subsection (e))—

8 “(1) which shall analyze costs, revenues, rates,
9 and quality of service in sufficient detail to dem-
10 onstrate that all products during such year complied
11 with all applicable requirements of this title; and

12 “(2) which shall, for each market-dominant
13 product provided in such year, provide—

14 “(A) product information, including mail
15 volumes; and

16 “(B) measures of the service afforded by
17 the Postal Service in connection with such prod-
18 uct, including—

19 “(i) the level of service (described in
20 terms of speed of delivery and reliability)
21 provided; and

22 “(ii) the degree of customer satisfac-
23 tion with the service provided.

24 Before submitting a report under this subsection (includ-
25 ing any annex to the report and the information required
26 under subsection (b)), the Postal Service shall have the

1 information contained in such report (and annex) audited
2 by the Inspector General. The results of any such audit
3 shall be submitted along with the report to which it per-
4 tains.

5 “(b) INFORMATION RELATING TO WORKSHARE DIS-
6 COUNTS.—The Postal Service shall include, in each report
7 under subsection (a), the following information with re-
8 spect to each market-dominant product for which a
9 workshare discount was in effect during the period covered
10 by such report:

11 “(1) The per-item cost avoided by the Postal
12 Service by virtue of such discount.

13 “(2) The percentage of such per-item cost
14 avoided that the per-item workshare discount rep-
15 resents.

16 “(3) The per-item contribution made to institu-
17 tional costs.

18 “(c) SERVICE AGREEMENTS AND MARKET TESTS.—
19 In carrying out subsections (a) and (b) with respect to
20 service agreements (including service agreements entered
21 into under section 3623) and experimental products of-
22 fered through market tests under section 3641 in a year,
23 the Postal Service—

1 “(1) may report summary data on the costs,
2 revenues, and quality of service by service agreement
3 and market test; and

4 “(2) shall report such data as the Postal Regu-
5 latory Commission requires.

6 “(d) SUPPORTING MATTER.—The Postal Regulatory
7 Commission shall have access, in accordance with such
8 regulations as the Commission shall prescribe, to the
9 working papers and any other supporting matter of the
10 Postal Service and the Inspector General in connection
11 with any information submitted under this section.

12 “(e) CONTENT AND FORM OF REPORTS.—

13 “(1) IN GENERAL.—The Postal Regulatory
14 Commission shall, by regulation, prescribe the con-
15 tent and form of the public reports (and any non-
16 public annex and supporting matter relating to the
17 report) to be provided by the Postal Service under
18 this section. In carrying out this subsection, the
19 Commission shall give due consideration to—

20 “(A) providing the public with timely, ade-
21 quate information to assess the lawfulness of
22 rates charged;

23 “(B) avoiding unnecessary or unwarranted
24 administrative effort and expense on the part of
25 the Postal Service; and

1 “(C) protecting the confidentiality of com-
2 mercially sensitive information.

3 “(2) REVISED REQUIREMENTS.—The Commis-
4 sion may, on its own motion or on request of an in-
5 terested party, initiate proceedings (to be conducted
6 in accordance with regulations that the Commission
7 shall prescribe) to improve the quality, accuracy, or
8 completeness of Postal Service data required by the
9 Commission under this subsection whenever it shall
10 appear that—

11 “(A) the attribution of costs or revenues to
12 products has become significantly inaccurate or
13 can be significantly improved;

14 “(B) the quality of service data has be-
15 come significantly inaccurate or can be signifi-
16 cantly improved; or

17 “(C) such revisions are, in the judgment of
18 the Commission, otherwise necessitated by the
19 public interest.

20 “(f) CONFIDENTIAL INFORMATION.—

21 “(1) IN GENERAL.—If the Postal Service deter-
22 mines that any document or portion of a document,
23 or other matter, which it provides to the Postal Reg-
24 ulatory Commission in a nonpublic annex under this
25 section or under subsection (d) contains information

1 which is described in section 410(c) of this title, or
2 exempt from public disclosure under section 552(b)
3 of title 5, the Postal Service shall, at the time of
4 providing such matter to the Commission, notify the
5 Commission of its determination, in writing, and de-
6 scribe with particularity the documents (or portions
7 of documents) or other matter for which confiden-
8 tiality is sought and the reasons therefor.

9 “(2) TREATMENT.—Any information or other
10 matter described in paragraph (1) to which the
11 Commission gains access under this section shall be
12 subject to paragraphs (2) and (3) of section 504(g)
13 in the same way as if the Commission had received
14 notification with respect to such matter under sec-
15 tion 504(g)(1).

16 “(g) OTHER REPORTS.—The Postal Service shall
17 submit to the Postal Regulatory Commission, together
18 with any other submission that the Postal Service is re-
19 quired to make under this section in a year, copies of its
20 then most recent—

21 “(1) comprehensive statement under section
22 2401(e);

23 “(2) strategic plan under section 2802;

24 “(3) performance plan under section 2803; and

1 “(4) program performance reports under sec-
2 tion 2804.

3 **“§ 3653. Annual determination of compliance**

4 “(a) OPPORTUNITY FOR PUBLIC COMMENT.—After
5 receiving the reports required under section 3652 for any
6 year, the Postal Regulatory Commission shall promptly
7 provide an opportunity for comment on such reports by
8 users of the mails, affected parties, and an officer of the
9 Commission who shall be required to represent the inter-
10 ests of the general public.

11 “(b) DETERMINATION OF COMPLIANCE OR NON-
12 COMPLIANCE.—Not later than 90 days after receiving the
13 submissions required under section 3652 with respect to
14 a year, the Postal Regulatory Commission shall make a
15 written determination as to—

16 “(1) whether any rates or fees in effect during
17 such year (for products individually or collectively)
18 were not in compliance with applicable provisions of
19 this chapter (or regulations promulgated there-
20 under); or

21 “(2) whether any service standards in effect
22 during such year were not met.

23 If, with respect to a year, no instance of noncompliance
24 is found under this subsection to have occurred in such
25 year, the written determination shall be to that effect.

1 “(c) IF ANY NONCOMPLIANCE IS FOUND.—If, for a
2 year, a timely written determination of noncompliance is
3 made under subsection (b), the Postal Regulatory Com-
4 mission shall take any appropriate remedial action author-
5 ized by section 3662(c).

6 “(d) REBUTTABLE PRESUMPTION.—A timely written
7 determination described in the last sentence of subsection
8 (b) shall, for purposes of any proceeding under section
9 3662, create a rebuttable presumption of compliance by
10 the Postal Service (with regard to the matters described
11 in paragraphs (1) through (3) of subsection (b)) during
12 the year to which such determination relates.”.

13 **SEC. 205. COMPLAINTS; APPELLATE REVIEW AND EN-**
14 **FORCEMENT.**

15 Chapter 36 of title 39, United States Code, is amend-
16 ed by striking sections 3662 and 3663 and inserting the
17 following:

18 **“§ 3662. Rate and service complaints**

19 “(a) IN GENERAL.—Any person (including an officer
20 of the Postal Regulatory Commission representing the in-
21 terests of the general public) who believes the Postal Serv-
22 ice is not operating in conformance with the requirements
23 of chapter 1, 4, or 6, or this chapter (or regulations pro-
24 mulgated under any of those chapters) may lodge a com-

1 plaint with the Postal Regulatory Commission in such
2 form and manner as the Commission may prescribe.

3 “(b) PROMPT RESPONSE REQUIRED.—

4 “(1) IN GENERAL.—The Postal Regulatory
5 Commission shall, within 90 days after receiving a
6 complaint under subsection (a), either—

7 “(A) begin proceedings on such complaint;

8 or

9 “(B) issue an order dismissing the com-
10 plaint (together with a statement of the reasons
11 therefor).

12 “(2) TREATMENT OF COMPLAINTS NOT TIMELY
13 ACTED ON.—For purposes of section 3663, any com-
14 plaint under subsection (a) on which the Commis-
15 sion fails to act in the time and manner required by
16 paragraph (1) shall be treated in the same way as
17 if it had been dismissed under an order issued by
18 the Commission on the last day allowable for the
19 issuance of such order under paragraph (1).

20 “(c) ACTION REQUIRED IF COMPLAINT FOUND TO
21 BE JUSTIFIED.—If the Postal Regulatory Commission
22 finds the complaint to be justified, it shall order that the
23 Postal Service take such action as the Commission con-
24 siders appropriate in order to achieve compliance with the
25 applicable requirements and to remedy the effects of any

1 noncompliance including ordering unlawful rates to be ad-
2 justed to lawful levels, ordering the cancellation of market
3 tests, ordering the Postal Service to discontinue providing
4 loss-making products, and requiring the Postal Service to
5 make up for revenue shortfalls in competitive products.

6 “(d) **AUTHORITY TO ORDER FINES IN CASES OF DE-**
7 **LIBERATE NONCOMPLIANCE.**—In addition, in cases of de-
8 liberate noncompliance by the Postal Service with the re-
9 quirements of this title, the Postal Regulatory Commission
10 may order, based on the nature, circumstances, extent,
11 and seriousness of the noncompliance, a fine (in the
12 amount specified by the Commission in its order) for each
13 incidence of noncompliance. Fines resulting from the pro-
14 vision of competitive products shall be paid out of the
15 Competitive Products Fund established in section 2011.
16 All receipts from fines imposed under this subsection shall
17 be deposited in the general fund of the Treasury of the
18 United States.

19 **“§ 3663. Appellate review**

20 “A person, including the Postal Service, adversely af-
21 fected or aggrieved by a final order or decision of the Post-
22 al Regulatory Commission may, within 30 days after such
23 order or decision becomes final, institute proceedings for
24 review thereof by filing a petition in the United States
25 Court of Appeals for the District of Columbia. The court

1 shall review the order or decision in accordance with sec-
 2 tion 706 of title 5, and chapter 158 and section 2112 of
 3 title 28, on the basis of the record before the Commission.

4 **“§ 3664. Enforcement of orders**

5 “The several district courts have jurisdiction specifi-
 6 cally to enforce, and to enjoin and restrain the Postal
 7 Service from violating, any order issued by the Postal Reg-
 8 ulatory Commission.”.

9 **SEC. 206. CLERICAL AMENDMENT.**

10 Chapter 36 of title 39, United States Code, is amend-
 11 ed by striking the heading and analysis for such chapter
 12 and inserting the following:

“CHAPTER 36—POSTAL RATES, CLASSES, AND SERVICES

**“SUBCHAPTER I—PROVISIONS RELATING TO MARKET-DOMINANT
 PRODUCTS**

“Sec.

“3621. Applicability; definitions.

“3622. Modern rate regulation.

“3623. Service agreements for market-dominant products.

“[3624. Repealed.]

“[3625. Repealed.]

“3626. Reduced Rates.

“3627. Adjusting free rates.

“[3628. Repealed.]

“3629. Reduced rates for voter registration purposes.

**“SUBCHAPTER II—PROVISIONS RELATING TO COMPETITIVE
 PRODUCTS**

“3631. Applicability; definitions and updates.

“3632. Action of the Governors.

“3633. Provisions applicable to rates for competitive products.

“3634. Assumed Federal income tax on competitive products.

**“SUBCHAPTER III—PROVISIONS RELATING TO EXPERIMENTAL
 AND NEW PRODUCTS**

“3641. Market tests of experimental products.

“3642. New products and transfers of products between the market-dominant
 and competitive categories of mail.

1 (and may from time to time thereafter by regulation re-
2 vise) a set of service standards for market-dominant prod-
3 ucts consistent with sections 101 (a) and (b) and 403.

4 “(b) OBJECTIVES.—Such standards shall be designed
5 to achieve the following objectives:

6 “(1) To enhance and preserve the value of post-
7 al services to both senders and recipients.

8 “(2) To provide a system of objective external
9 performance measurements for each market-domi-
10 nant product as a basis for measurement of Postal
11 Service performance.

12 “(3) To guarantee Postal Service customers de-
13 livery reliability, speed and frequency consistent with
14 reasonable rates and best business practices.

15 “(c) FACTORS.—In establishing or revising such
16 standards, the Postal Regulatory Commission shall take
17 into account—

18 “(1) the actual level of service that Postal Serv-
19 ice customers receive under any service guidelines
20 previously established by the Postal Service or serv-
21 ice standards established under this section;

22 “(2) the degree of customer satisfaction with
23 Postal Service performance in the acceptance, proc-
24 essing and delivery of mail;

1 “(3) mail volume and revenues projected for fu-
2 ture years;

3 “(4) the projected growth in the number of ad-
4 dresses the Postal Service will be required to serve
5 in future years;

6 “(5) the current and projected future cost of
7 serving Postal Service customers;

8 “(6) the effect of changes in technology, demo-
9 graphics and population distribution on the efficient
10 and reliable operation of the postal delivery system;
11 and

12 “(7) the policies of this title as well as such
13 other factors as the Commission determines appro-
14 priate.”.

15 **SEC. 302. POSTAL SERVICE PLAN.**

16 (a) IN GENERAL.—Within 6 months after the estab-
17 lishment of the service standards under section 3691 of
18 title 39, United States Code, as added by this Act, the
19 Postal Service shall, in consultation with the Postal Regu-
20 latory Commission, develop and submit to Congress a plan
21 for meeting those standards.

22 (b) CONTENT.—The plan under this section shall—

23 (1) establish performance goals;

24 (2) describe any changes to the Postal Service’s
25 processing, transportation, delivery, and retail net-

1 works necessary to allow the Postal Service to meet
2 the performance goals; and

3 (3) describe any changes to planning and per-
4 formance management documents previously sub-
5 mitted to Congress to reflect new performance goals.

6 (c) **POSTAL FACILITIES.**—The Postal Service plan
7 shall include a description of its long-term vision for
8 rationalizing its infrastructure and workforce and how it
9 intends to implement that vision, including—

10 (1) a strategy for how it intends to rationalize
11 the postal facilities network and remove excess proc-
12 essing capacity and space from the network, includ-
13 ing estimated timeframes, criteria and processes to
14 be used for making changes to the facilities network,
15 and the process for engaging policy makers and the
16 public in related decisions;

17 (2) an update on how postal decisions related to
18 mail changes, security, automation initiatives,
19 worksharing, information technology systems, and
20 other areas will impact network rationalization
21 plans;

22 (3) a discussion of what impact any facility
23 changes may have on the postal workforce and
24 whether the Postal Service has sufficient flexibility
25 to make needed workforce changes; and

1 (4) an identification of anticipated costs, cost
2 savings, and other benefits associated with the infra-
3 structure rationalization alternatives discussed in the
4 plan.

5 (d) ALTERNATE RETAIL OPTIONS.—The Postal Serv-
6 ice plan shall include plans to expand and market retail
7 access to postal services, in addition to post offices,
8 including—

9 (1) vending machines;

10 (2) the Internet;

11 (3) Postal Service employees on delivery routes;

12 (4) retail facilities in which overhead costs are
13 shared with private businesses and other government
14 agencies; or

15 (5) any other nonpost office access channel pro-
16 viding market retail access to postal services.

17 (e) REEMPLOYMENT ASSISTANCE AND RETIREMENT
18 BENEFITS.—The Postal Service plan shall include—

19 (1) a plan under which reemployment assist-
20 ance shall be afforded to employees displaced as a
21 result of the automation of any of its functions or
22 the closing and consolidation of any of its facilities;
23 and

1 (2) a plan, developed in consultation with the
2 Office of Personnel Management, to offer early re-
3 tirement benefits.

4 (f) INSPECTOR GENERAL REPORT.—

5 (1) IN GENERAL.—Before submitting the plan
6 under this section to Congress, the Postal Service
7 shall submit the plan to the Inspector General of the
8 United States Postal Service in a timely manner to
9 carry out this subsection.

10 (2) REPORT.—The Inspector General shall pre-
11 pare a report describing the extent to which the
12 Postal Service plan—

13 (A) is consistent with the continuing obli-
14 gations of the Postal Service under title 39,
15 United States Code; and

16 (B) provides for the Postal Service to meet
17 the service standards established under section
18 3691.

19 (3) SUBMISSION OF REPORT.—The Postal Serv-
20 ice shall submit the report of the Inspector General
21 under this subsection with the plan submitted to
22 Congress under subsection (a).

1 **TITLE IV—PROVISIONS RELAT-**
2 **ING TO FAIR COMPETITION**

3 **SEC. 401. POSTAL SERVICE COMPETITIVE PRODUCTS**
4 **FUND.**

5 (a) PROVISIONS RELATING TO POSTAL SERVICE
6 COMPETITIVE PRODUCTS FUND AND RELATED MAT-
7 TERS.—

8 (1) IN GENERAL.—Chapter 20 of title 39,
9 United States Code, is amended by adding at the
10 end the following:

11 **“§ 2011. Provisions relating to competitive products**

12 “(a) There is established in the Treasury of the
13 United States a revolving fund, to be called the Postal
14 Service Competitive Products Fund, which shall be avail-
15 able to the Postal Service without fiscal year limitation
16 for the payment of—

17 “(1) costs attributable to competitive products;
18 and

19 “(2) all other costs incurred by the Postal Serv-
20 ice, to the extent allocable to competitive products.

21 For purposes of this subsection, the term ‘costs attrib-
22 utable’ has the meaning given such term by section 3631.

23 “(b) There shall be deposited in the Competitive
24 Products Fund, subject to withdrawal by the Postal
25 Service—

1 “(1) revenues from competitive products;

2 “(2) amounts received from obligations issued
3 by the Postal Service under subsection (e);

4 “(3) interest and dividends earned on invest-
5 ments of the Competitive Products Fund; and

6 “(4) any other receipts of the Postal Service
7 (including from the sale of assets), to the extent al-
8 locable to competitive products.

9 “(c) If the Postal Service determines that the moneys
10 of 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 12 months after the
14 date of enactment of the Postal Accountability and En-
15 hancement Act.

16 “(d) The Postal Service may, in its sole discretion,
17 provide that moneys of the Competitive Products Fund be
18 deposited in a Federal Reserve bank or a depository for
19 public funds.

20 “(e)(1) Subject to the limitations specified in section
21 2005(a), the Postal Service is authorized to borrow money
22 and to issue and sell such obligations as it determines nec-
23 essary to provide for competitive products and deposit
24 such amounts in the Competitive Products Fund, except
25 that the Postal Service may pledge only assets related to

1 the provision of competitive products (as determined
2 under subsection (h) or, for purposes of any period before
3 accounting practices and principles under subsection (h)
4 have been established and applied, the best information
5 available from the Postal Service, including the audited
6 statements required by section 2008(e)), and the revenues
7 and receipts from such products, for the payment of the
8 principal of or interest on such obligations, for the pur-
9 chase or redemption thereof, and for other purposes inci-
10 dental thereto, including creation of reserve, sinking, and
11 other funds which may be similarly pledged and used, to
12 such extent and in such manner as the Postal Service de-
13 termines necessary or desirable.

14 “(2) The Postal Service may enter into binding cov-
15 enants with the holders of such obligations, and with the
16 trustee, if any, under any agreement entered into in con-
17 nection with the issuance thereof with respect to—

18 “(A) the establishment of reserve, sinking, and
19 other funds;

20 “(B) application and use of revenues and re-
21 ceipts of the Competitive Products Fund;

22 “(C) stipulations concerning the subsequent
23 issuance of obligations or the execution of leases or
24 lease purchases relating to properties of the Postal
25 Service; and

1 “(D) such other matters as the Postal Service
2 considers necessary or desirable to enhance the mar-
3 ketability of such obligations.

4 “(3) Obligations issued by the Postal Service under
5 this subsection—

6 “(A) may not be purchased by the Secretary of
7 the Treasury;

8 “(B) shall not be exempt either as to principal
9 or interest from any taxation now or hereafter im-
10 posed by any State or local taxing authority;

11 “(C) shall not be obligations of, nor shall pay-
12 ment of the principal thereof or interest thereon be
13 guaranteed by, the Government of the United
14 States, and the obligations shall so plainly state; and

15 “(D) notwithstanding the provisions of the Fed-
16 eral Financing Bank Act of 1973 or any other provi-
17 sion of law (except as specifically provided by ref-
18 erence to this subparagraph in a law enacted after
19 this subparagraph takes effect), shall not be eligible
20 for purchase by, commitment to purchase by, or sale
21 or issuance to, the Federal Financing Bank.

22 “(4)(A) This paragraph applies with respect to the
23 period beginning on the date of the enactment of this
24 paragraph and ending at the close of the 5-year period

1 which begins on the date on which the Postal Service
2 makes its submission under subsection (h)(1).

3 “(B) During the period described in subparagraph
4 (A), nothing in subparagraph (A) or (D) of paragraph (3)
5 or the last sentence of section 2006(b) shall, with respect
6 to any obligations sought to be issued by the Postal Serv-
7 ice under this subsection, be considered to affect such obli-
8 gations’ eligibility for purchase by, commitment to pur-
9 chase by, or sale or issuance to, the Federal Financing
10 Bank.

11 “(C) The Federal Financing Bank may elect to pur-
12 chase such obligations under such terms, including rates
13 of interest, as the Bank and the Postal Service may agree,
14 but at a rate of yield no less than the prevailing yield on
15 outstanding marketable securities of comparable maturity
16 issued by entities with the same credit rating as the rating
17 then most recently obtained by the Postal Service under
18 subparagraph (D), as determined by the Bank.

19 “(D) In order to be eligible to borrow under this
20 paragraph, the Postal Service shall first obtain a credit
21 rating from a nationally recognized credit rating organiza-
22 tion. Such rating—

23 “(i) shall be determined taking into account
24 only those assets and activities of the Postal Service
25 which are described in section 3634(a)(2) (relating

1 to the Postal Service's assumed taxable income from
2 competitive products); and

3 "(ii) may, before final rules of the Postal Regu-
4 latory Commission under subsection (h) are issued
5 (or deemed to have been issued), be based on the
6 best information available from the Postal Service,
7 including the audited statements required by section
8 2008(e).

9 "(f) The receipts and disbursements of the Competi-
10 tive Products Fund shall be accorded the same budgetary
11 treatment as is accorded to receipts and disbursements of
12 the Postal Service Fund under section 2009a.

13 "(g) A judgment against the Postal Service or the
14 Government of the United States (or settlement of a
15 claim) shall, to the extent that it arises out of activities
16 of the Postal Service in the provision of competitive prod-
17 ucts, be paid out of the Competitive Products Fund.

18 "(h)(1) The Postal Service, in consultation with an
19 independent, certified public accounting firm and such
20 other advisors as it considers appropriate, shall develop
21 recommendations regarding—

22 "(A) the accounting practices and principles
23 that should be followed by the Postal Service with
24 the objectives of identifying the capital and oper-
25 ating costs incurred by the Postal Service in pro-

1 viding competitive products, and preventing the
2 cross-subsidization of such products by market-domi-
3 nant products; and

4 “(B) the substantive and procedural rules that
5 should be followed in determining the Postal Serv-
6 ice’s assumed Federal income tax on competitive
7 products income for any year (within the meaning of
8 section 3634).

9 Such recommendations shall be submitted to the Postal
10 Regulatory Commission no later than 12 months after the
11 effective date of this section.

12 “(2)(A) Upon receiving the recommendations of the
13 Postal Service under paragraph (1), the Commission shall
14 give interested parties, including the Postal Service, enter-
15 prises in the private sector of the economy engaged in the
16 delivery of mail matter other than letters, users of the
17 mails, and an officer of the Commission who shall be re-
18 quired to represent the interests of the general public, an
19 opportunity to present their views on those recommenda-
20 tions through submission of written data, views, or argu-
21 ments with or without opportunity for oral presentation,
22 or in such other manner as the Commission considers ap-
23 propriate.

1 “(B) After due consideration of the views and other
2 information received under subparagraph (A), the Com-
3 mission shall by rule—

4 “(i) provide for the establishment and applica-
5 tion of the accounting practices and principles which
6 shall be followed by the Postal Service;

7 “(ii) provide for the establishment and applica-
8 tion of the substantive and procedural rules de-
9 scribed in paragraph (1)(B); and

10 “(iii) provide for the submission by the Postal
11 Service to the Postal Regulatory Commission of an-
12 nual and other periodic reports setting forth such in-
13 formation as the Commission may require.

14 Final rules under this subparagraph shall be issued not
15 later than 12 months after the date on which the Postal
16 Service makes its submission to the Commission under
17 paragraph (1) (or by such later date as the Commission
18 and the Postal Service may agree to). If final rules are
19 not issued by the Commission by the deadline under the
20 preceding sentence, the recommendations submitted by
21 the Postal Service under paragraph (1) shall be treated
22 as the final rules. The Commission is authorized to pro-
23 mulgate regulations revising such rules.

24 “(C) Reports described in subparagraph (B)(iii) shall
25 be submitted at such time and in such form, and shall

1 include such information, as the Commission by rule re-
2 quires. The Commission may, on its own motion or on re-
3 quest of an interested party, initiate proceedings (to be
4 conducted in accordance with such rules as the Commis-
5 sion shall prescribe) to improve the quality, accuracy, or
6 completeness of Postal Service data under such subpara-
7 graph whenever it shall appear that—

8 “(i) the quality of the information furnished in
9 those reports has become significantly inaccurate or
10 can be significantly improved; or

11 “(ii) such revisions are, in the judgment of the
12 Commission, otherwise necessitated by the public in-
13 terest.

14 “(D) A copy of each report described in subpara-
15 graph (B)(iii) shall also be transmitted by the Postal Serv-
16 ice to the Secretary of the Treasury and the Inspector
17 General of the United States Postal Service.

18 “(i) The Postal Service shall render an annual report
19 to the Secretary of the Treasury concerning the operation
20 of the Competitive Products Fund, in which it shall ad-
21 dress such matters as risk limitations, reserve balances,
22 allocation or distribution of moneys, liquidity require-
23 ments, and measures to safeguard against losses. A copy
24 of its then most recent report under this subsection shall
25 be included with any other submission that it is required

1 to make to the Postal Regulatory Commission under sec-
2 tion 3652(g).”.

3 (2) CLERICAL AMENDMENT.—The analysis for
4 chapter 20 of title 39, United States Code, is
5 amended by adding after the item relating to section
6 2010 the following:

“2011. Provisions relating to competitive products.”.

7 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

8 (1) DEFINITION.—Section 2001 of title 39,
9 United States Code, is amended by striking “and”
10 at the end of paragraph (1), by redesignating para-
11 graph (2) as paragraph (3), and by inserting after
12 paragraph (1) the following:

13 “(2) ‘Competitive Products Fund’ means the
14 Postal Service Competitive Products Fund estab-
15 lished by section 2011; and”.

16 (2) CAPITAL OF THE POSTAL SERVICE.—Sec-
17 tion 2002(b) of title 39, United States Code, is
18 amended by striking “Fund,” and inserting “Fund
19 and the balance in the Competitive Products
20 Fund,”.

21 (3) POSTAL SERVICE FUND.—

22 (A) PURPOSES FOR WHICH AVAILABLE.—
23 Section 2003(a) of title 39, United States Code,
24 is amended by striking “title.” and inserting
25 “title (other than any of the purposes, func-

1 tions, or powers for which the Competitive
2 Products Fund is available).”.

3 (B) DEPOSITS.—Section 2003(b) of title
4 39, United States Code, is amended by striking
5 “There” and inserting “Except as otherwise
6 provided in section 2011, there”.

7 (4) RELATIONSHIP BETWEEN THE TREASURY
8 AND THE POSTAL SERVICE.—Section 2006 of title
9 39, United States Code, is amended—

10 (A) in subsection (b), by adding at the end
11 the following: “Nothing in this chapter shall be
12 considered to permit or require the Secretary of
13 the Treasury to purchase any obligations of the
14 Postal Service other than those issued under
15 section 2005.”; and

16 (B) in subsection (c), by inserting “under
17 section 2005” before “shall be obligations”.

18 **SEC. 402. ASSUMED FEDERAL INCOME TAX ON COMPETI-**
19 **TIVE PRODUCTS INCOME.**

20 Subchapter II of chapter 36 of title 39, United States
21 Code, as amended by section 202, is amended by adding
22 at the end the following:

23 **“§ 3634. Assumed Federal income tax on competitive**
24 **products income**

25 “(a) DEFINITIONS.—For purposes of this section—

1 “(1) the term ‘assumed Federal income tax on
2 competitive products income’ means the net income
3 tax that would be imposed by chapter 1 of the Inter-
4 nal Revenue Code of 1986 on the Postal Service’s
5 assumed taxable income from competitive products
6 for the year; and

7 “(2) the term ‘assumed taxable income from
8 competitive products’, with respect to a year, refers
9 to the amount representing what would be the tax-
10 able income of a corporation under the Internal Rev-
11 enue Code of 1986 for the year, if—

12 “(A) the only activities of such corporation
13 were the activities of the Postal Service allo-
14 cable under section 2011(h) to competitive
15 products; and

16 “(B) the only assets held by such corpora-
17 tion were the assets of the Postal Service allo-
18 cable under section 2011(h) to such activities.

19 “(b) COMPUTATION AND TRANSFER REQUIRE-
20 MENTS.—The Postal Service shall, for each year beginning
21 with the year in which occurs the deadline for the Postal
22 Service’s first report to the Postal Regulatory Commission
23 under section 3652(a)—

24 “(1) compute its assumed Federal income tax
25 on competitive products income for such year; and

1 “(2) transfer from the Competitive Products
2 Fund to the Postal Service Fund the amount of that
3 assumed tax.

4 “(c) DEADLINE FOR TRANSFERS.—Any transfer re-
5 quired to be made under this section for a year shall be
6 due on or before the January 15th next occurring after
7 the close of such year.”.

8 **SEC. 403. UNFAIR COMPETITION PROHIBITED.**

9 (a) SPECIFIC LIMITATIONS.—Chapter 4 of title 39,
10 United States Code, is amended by adding after section
11 404 the following:

12 **“§ 404a. Specific limitations**

13 “(a) Except as specifically authorized by law, the
14 Postal Service may not:

15 “(1) establish any rule or regulation (including
16 any standard) the effect of which is to preclude com-
17 petition or establish the terms of competition unless
18 the Postal Service demonstrates that the regulation
19 does not create an unfair competitive advantage for
20 itself or any entity funded (in whole or in part) by
21 the Postal Service;

22 “(2) compel the disclosure, transfer, or licens-
23 ing of intellectual property to any third party (such
24 as patents, copyrights, trademarks, trade secrets,
25 and proprietary information); or

1 “(3) obtain information from a person that pro-
2 vides (or seeks to provide) any product, and then
3 offer any postal service that uses or is based in
4 whole or in part on such information, without the
5 consent of the person providing that information,
6 unless substantially the same information is obtained
7 (or obtainable) from an independent source or is
8 otherwise obtained (or obtainable).

9 “(b) The Postal Regulatory Commission shall pre-
10 scribe regulations to carry out this section.

11 “(c) Any party (including an officer of the Commis-
12 sion representing the interests of the general public) who
13 believes that the Postal Service has violated this section
14 may bring a complaint in accordance with section 3662.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) GENERAL POWERS.—Section 401 of title
17 39, United States Code, is amended by striking
18 “The” and inserting “Subject to the provisions of
19 section 404a, the”.

20 (2) SPECIFIC POWERS.—Section 404(a) of title
21 39, United States Code, is amended by striking
22 “Without” and inserting “Subject to the provisions
23 of section 404a, but otherwise without”.

1 (c) CLERICAL AMENDMENT.—The analysis for chap-
2 ter 4 of title 39, United States Code, is amended by insert-
3 ing after the item relating to section 404 the following:
“404a. Specific limitations.”.

4 **SEC. 404. SUITS BY AND AGAINST THE POSTAL SERVICE.**

5 (a) IN GENERAL.—Section 409 of title 39, United
6 States Code, is amended by striking subsections (d) and
7 (e) and inserting the following:

8 “(d)(1) For purposes of the provisions of law cited
9 in paragraphs (2)(A) and (2)(B), respectively, the Postal
10 Service—

11 “(A) shall be considered to be a ‘person’, as
12 used in the provisions of law involved; and

13 “(B) shall not be immune under any other doc-
14 trine of sovereign immunity from suit in Federal
15 court by any person for any violation of any of those
16 provisions of law by any officer or employee of the
17 Postal Service.

18 “(2) This subsection applies with respect to—

19 “(A) the Act of July 5, 1946 (commonly re-
20 ferred to as the ‘Trademark Act of 1946’ (15 U.S.C.
21 1051 and following)); and

22 “(B) the provisions of section 5 of the Federal
23 Trade Commission Act to the extent that such sec-
24 tion 5 applies to unfair or deceptive acts or prac-
25 tices.

1 “(e)(1) To the extent that the Postal Service, or other
2 Federal agency acting on behalf of or in concert with the
3 Postal Service, engages in conduct with respect to any
4 product which is not reserved to the United States under
5 section 1696 of title 18, the Postal Service or other Fed-
6 eral agency (as the case may be)—

7 “(A) shall not be immune under any doctrine of
8 sovereign immunity from suit in Federal court by
9 any person for any violation of Federal law by such
10 agency or any officer or employee thereof; and

11 “(B) shall be considered to be a person (as de-
12 fined in subsection (a) of the first section of the
13 Clayton Act) for purposes of—

14 “(i) the antitrust laws (as defined in such
15 subsection); and

16 “(ii) section 5 of the Federal Trade Com-
17 mission Act to the extent that such section 5
18 applies to unfair methods of competition.

19 For purposes of the preceding sentence, any private car-
20 riage of mail allowable by virtue of section 601 shall not
21 be considered a service reserved to the United States
22 under section 1696 of title 18.

23 “(2) No damages, interest on damages, costs or at-
24 torney’s fees may be recovered, and no criminal liability
25 may be imposed, under the antitrust laws (as so defined)

1 from any officer or employee of the Postal Service, or
2 other Federal agency acting on behalf of or in concert with
3 the Postal Service, acting in an official capacity.

4 “(3) This subsection shall not apply with respect to
5 conduct occurring before the date of the enactment of this
6 subsection.

7 “(f) To the extent that the Postal Service engages
8 in conduct with respect to the provision of competitive
9 products, it shall be considered a person for the purposes
10 of the Federal bankruptcy laws.

11 “(g)(1) Each building constructed or altered by the
12 Postal Service shall be constructed or altered, to the max-
13 imum extent feasible as determined by the Postal Service,
14 in compliance with 1 of the nationally recognized model
15 building codes and with other applicable nationally recog-
16 nized codes.

17 “(2) Each building constructed or altered by the
18 Postal Service shall be constructed or altered only after
19 consideration of all requirements (other than procedural
20 requirements) of zoning laws, land use laws, and applica-
21 ble environmental laws of a State or subdivision of a State
22 which would apply to the building if it were not a building
23 constructed or altered by an establishment of the Govern-
24 ment of the United States.

1 “(3) For purposes of meeting the requirements of
2 paragraphs (1) and (2) with respect to a building, the
3 Postal Service shall—

4 “(A) in preparing plans for the building, con-
5 sult with appropriate officials of the State or polit-
6 ical subdivision, or both, in which the building will
7 be located;

8 “(B) upon request, submit such plans in a
9 timely manner to such officials for review by such
10 officials for a reasonable period of time not exceed-
11 ing 30 days; and

12 “(C) permit inspection by such officials during
13 construction or alteration of the building, in accord-
14 ance with the customary schedule of inspections for
15 construction or alteration of buildings in the locality,
16 if such officials provide to the Postal Service—

17 “(i) a copy of such schedule before con-
18 struction of the building is begun; and

19 “(ii) reasonable notice of their intention to
20 conduct any inspection before conducting such
21 inspection.

22 Nothing in this subsection shall impose an obligation on
23 any State or political subdivision to take any action under
24 the preceding sentence, nor shall anything in this sub-
25 section require the Postal Service or any of its contractors

1 to pay for any action taken by a State or political subdivi-
2 sion to carry out this subsection (including reviewing
3 plans, carrying out on-site inspections, issuing building
4 permits, and making recommendations).

5 “(4) Appropriate officials of a State or a political
6 subdivision of a State may make recommendations to the
7 Postal Service concerning measures necessary to meet the
8 requirements of paragraphs (1) and (2). Such officials
9 may also make recommendations to the Postal Service
10 concerning measures which should be taken in the con-
11 struction or alteration of the building to take into account
12 local conditions. The Postal Service shall give due consid-
13 eration to any such recommendations.

14 “(5) In addition to consulting with local and State
15 officials under paragraph (3), the Postal Service shall es-
16 tablish procedures for soliciting, assessing, and incor-
17 porating local community input on real property and land
18 use decisions.

19 “(6) For purposes of this subsection, the term ‘State’
20 includes the District of Columbia, the Commonwealth of
21 Puerto Rico, and a territory or possession of the United
22 States.

23 “(h)(1) Notwithstanding any other provision of law,
24 legal representation may not be furnished by the Depart-
25 ment of Justice to the Postal Service in any action, suit,

1 or proceeding arising, in whole or in part, under any of
2 the following:

3 “(A) Subsection (d) or (e) of this section.

4 “(B) Subsection (f) or (g) of section 504 (relat-
5 ing to administrative subpoenas by the Postal Regu-
6 latory Commission).

7 “(C) Section 3663 (relating to appellate re-
8 view).

9 The Postal Service may, by contract or otherwise, employ
10 attorneys to obtain any legal representation that it is pre-
11 cluded from obtaining from the Department of Justice
12 under this paragraph.

13 “(2) In any circumstance not covered by paragraph
14 (1), the Department of Justice shall, under section 411,
15 furnish the Postal Service such legal representation as it
16 may require, except that, with the prior consent of the
17 Attorney General, the Postal Service may, in any such cir-
18 cumstance, employ attorneys by contract or otherwise to
19 conduct litigation brought by or against the Postal Service
20 or its officers or employees in matters affecting the Postal
21 Service.

22 “(3)(A) In any action, suit, or proceeding in a court
23 of the United States arising in whole or in part under any
24 of the provisions of law referred to in subparagraph (B)
25 or (C) of paragraph (1), and to which the Commission

1 is not otherwise a party, the Commission shall be per-
2 mitted to appear as a party on its own motion and as
3 of right.

4 “(B) The Department of Justice shall, under such
5 terms and conditions as the Commission and the Attorney
6 General shall consider appropriate, furnish the Commis-
7 sion such legal representation as it may require in connec-
8 tion with any such action, suit, or proceeding, except that,
9 with the prior consent of the Attorney General, the Com-
10 mission may employ attorneys by contract or otherwise for
11 that purpose.

12 “(i) A judgment against the Government of the
13 United States arising out of activities of the Postal Service
14 shall be paid by the Postal Service out of any funds avail-
15 able to the Postal Service, subject to the restriction speci-
16 fied in section 2011(g).”.

17 (b) TECHNICAL AMENDMENT.—Section 409(a) of
18 title 39, United States Code, is amended by striking “Ex-
19 cept as provided in section 3628 of this title,” and insert-
20 ing “Except as otherwise provided in this title,”.

21 **SEC. 405. INTERNATIONAL POSTAL ARRANGEMENTS.**

22 (a) IN GENERAL.—Section 407 of title 39, United
23 States Code, is amended to read as follows:

24 “§ 407. **International postal arrangements**

25 “(a) It is the policy of the United States—

1 “(1) to promote and encourage communications
2 between peoples by efficient operation of inter-
3 national postal services and other international deliv-
4 ery services for cultural, social, and economic pur-
5 poses;

6 “(2) to promote and encourage unrestricted and
7 undistorted competition in the provision of inter-
8 national postal services and other international deliv-
9 ery services, except where provision of such services
10 by private companies may be prohibited by law of
11 the United States;

12 “(3) to promote and encourage a clear distinc-
13 tion between governmental and operational respon-
14 sibilities with respect to the provision of inter-
15 national postal services; and

16 “(4) to participate in multilateral and bilateral
17 agreements with other countries to accomplish these
18 objectives.

19 “(b)(1) The Secretary of State shall be responsible
20 for formulation, coordination, and oversight of foreign pol-
21 icy related to international postal services and shall have
22 the power to conclude postal treaties and conventions, ex-
23 cept that the Secretary may not conclude any postal treaty
24 or convention if such treaty or convention would, with re-
25 spect to any competitive product, grant an undue or un-

1 reasonable preference to the Postal Service, a private pro-
2 vider of international postal services, or any other person.

3 “(2) In carrying out the responsibilities specified in
4 paragraph (1), the Secretary of State shall exercise pri-
5 mary authority for the conduct of foreign policy with re-
6 spect to international postal services, including the deter-
7 mination of United States positions and the conduct of
8 United States participation in negotiations with foreign
9 governments and international bodies. In exercising this
10 authority, the Secretary—

11 “(A) shall coordinate with other agencies as ap-
12 propriate, and in particular, should consider the au-
13 thority vested by law or Executive order in the Post-
14 al Regulatory Commission, the Department of Com-
15 merce, the Department of Transportation, and the
16 Office of the United States Trade Representative in
17 this area;

18 “(B) shall maintain continuing liaison with
19 other executive branch agencies concerned with post-
20 al and delivery services;

21 “(C) shall maintain continuing liaison with the
22 Committee on Governmental Affairs of the Senate
23 and the Committee on Government Reform of the
24 House of Representatives;

1 “(D) shall maintain appropriate liaison with
2 both representatives of the Postal Service and rep-
3 resentatives of users and private providers of inter-
4 national postal services and other international deliv-
5 ery services to keep informed of their interests and
6 problems, and to provide such assistance as may be
7 needed to ensure that matters of concern are
8 promptly considered by the Department of State or
9 (if applicable, and to the extent practicable) other
10 executive branch agencies; and

11 “(E) shall assist in arranging meetings of such
12 public sector advisory groups as may be established
13 to advise the Department of State and other execu-
14 tive branch agencies in connection with international
15 postal services and international delivery services.

16 “(3) The Secretary of State shall establish an advi-
17 sory committee (within the meaning of the Federal Advi-
18 sory Committee Act) to perform such functions as the Sec-
19 retary considers appropriate in connection with carrying
20 out subparagraphs (A) through (D) of paragraph (2).

21 “(c) Before concluding any postal treaty or conven-
22 tion that establishes a rate or classification for a product
23 subject to subchapter I of chapter 36, the Secretary of
24 State shall request the Postal Regulatory Commission to
25 submit its views on whether such rate or classification is

1 consistent with the standards and criteria established by
2 the Commission under section 3622.

3 “(d) Nothing in this section shall be considered to
4 prevent the Postal Service from entering into such com-
5 mercial or operational contracts related to providing inter-
6 national postal services as it deems appropriate, except
7 that—

8 “(1) any such contract made with an agency of
9 a foreign government (whether under authority of
10 this subsection or otherwise) shall be solely contrac-
11 tual in nature and may not purport to be binding
12 under international law; and

13 “(2) a copy of each such contract between the
14 Postal Service and an agency of a foreign govern-
15 ment shall be transmitted to the Secretary of State
16 and the Postal Regulatory Commission not later
17 than the effective date of such contract.

18 “(e)(1) With respect to shipments of international
19 mail that are competitive products within the meaning of
20 section 3631 that are exported or imported by the Postal
21 Service, the Customs Service and other appropriate Fed-
22 eral agencies shall apply the customs laws of the United
23 States and all other laws relating to the importation or
24 exportation of such shipments in the same manner to both

1 shipments by the Postal Service and similar shipments by
2 private companies.

3 “(2) In exercising the authority pursuant to sub-
4 section (b) to conclude new postal treaties and conventions
5 related to international postal services and to renegotiate
6 such treaties and conventions, the Secretary of State shall,
7 to the maximum extent practicable, take such measures
8 as are within the Secretary’s control to encourage the gov-
9 ernments of other countries to make available to the Post-
10 al Service and private companies a range of nondiscrim-
11 inatory customs procedures that will fully meet the needs
12 of all types of American shippers. The Secretary of State
13 shall consult with the United States Trade Representative
14 and the Commissioner of Customs in carrying out this
15 paragraph.

16 “(3) The provisions of this subsection shall take ef-
17 fect 6 months after the date of the enactment of this sub-
18 section or such earlier date as the Customs Service may
19 determine in writing.”.

20 (b) EFFECTIVE DATE.—Notwithstanding any provi-
21 sion of the amendment made by subsection (a), the au-
22 thority of the United States Postal Service to establish
23 the rates of postage or other charges on mail matter con-
24 veyed between the United States and other countries shall
25 remain available to the Postal Service until—

1 (1) with respect to market-dominant products,
2 the date as of which the regulations promulgated
3 under section 3622 of title 39, United States Code
4 (as amended by section 201(a)) take effect; and

5 (2) with respect to competitive products, the
6 date as of which the regulations promulgated under
7 section 3633 of title 39, United States Code (as
8 amended by section 202) take effect.

9 **TITLE V—GENERAL PROVISIONS**

10 **SEC. 501. QUALIFICATION AND TERM REQUIREMENTS FOR** 11 **GOVERNORS.**

12 (a) QUALIFICATIONS.—

13 (1) IN GENERAL.—Section 202(a) of title 39,
14 United States Code, is amended by striking “(a)”
15 and inserting “(a)(1)” and by striking the fourth
16 sentence and inserting the following: “The Gov-
17 ernors shall represent the public interest generally,
18 and shall be chosen solely on the basis of their dem-
19 onstrated ability in managing organizations or cor-
20 porations (in either the public or private sector) of
21 substantial size. The Governors shall not be rep-
22 resentatives of specific interests using the Postal
23 Service, and may be removed only for cause.”.

24 (2) APPLICABILITY.—The amendment made by
25 paragraph (1) shall not affect the appointment or

1 tenure of any person serving as a Governor of the
2 United States Postal Service under an appointment
3 made before the date of the enactment of this Act
4 however, when any such office becomes vacant, the
5 appointment of any person to fill that office shall be
6 made in accordance with such amendment. The re-
7 quirement set forth in the fourth sentence of section
8 202(a)(1) of title 39, United States Code (as amend-
9 ed by subsection (a)) shall be met beginning not
10 later than 9 years after the date of the enactment
11 of this Act.

12 (b) CONSULTATION REQUIREMENT.—Section 202(a)
13 of title 39, United States Code, is amended by adding at
14 the end the following:

15 “(2) In selecting the individuals described in para-
16 graph (1) for nomination for appointment to the position
17 of Governor, the President should consult with the Speak-
18 er of the House of Representatives, the minority leader
19 of the House of Representatives, the majority leader of
20 the Senate, and the minority leader of the Senate.”.

21 (c) 5-YEAR TERMS.—

22 (1) IN GENERAL.—Section 202(b) of title 39,
23 United States code, is amended in the first sentence
24 by striking “9 years” and inserting “5 years”.

25 (2) APPLICABILITY.—

1 (A) CONTINUATION BY INCUMBENTS.—

2 The amendment made by paragraph (1) shall
3 not affect the tenure of any person serving as
4 a Governor of the United States Postal Service
5 on the date of enactment of this Act and such
6 person may continue to serve the remainder of
7 the applicable term.

8 (B) VACANCY BY INCUMBENT BEFORE 5

9 YEARS OF SERVICE.—If a person who is serving
10 as a Governor of the United States Postal Serv-
11 ice on the date of enactment of this Act resigns,
12 is removed, or dies before the expiration of the
13 9-year term of that Governor, and that Gov-
14 ernor has served less than 5 years of that term,
15 the resulting vacancy in office shall be treated
16 as a vacancy in a 5-year term.

17 (C) VACANCY BY INCUMBENT AFTER 5

18 YEARS OF SERVICE.—If a person who is serving
19 as a Governor of the United States Postal Serv-
20 ice on the date of enactment of this Act resigns,
21 is removed, or dies before the expiration of the
22 9-year term of that Governor, and that Gov-
23 ernor has served 5 years or more of that term,
24 that term shall be deemed to have been a 5-year
25 term beginning on its commencement date for

1 purposes of determining vacancies in office. Any
2 appointment to the vacant office shall be for a
3 5-year term beginning at the end of the original
4 9-year term determined without regard to the
5 deeming under the preceding sentence. Nothing
6 in this subparagraph shall be construed to af-
7 fect any action or authority of any Governor or
8 the Board of Governors during any portion of
9 a 9-year term deemed to be 5-year term under
10 this subparagraph.

11 (d) TERM LIMITATION.—

12 (1) IN GENERAL.—Section 202(b) of title 39,
13 United States Code, is amended—

14 (A) by inserting “(1)” after “(b)”; and

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

16 “(2) No person may serve more than 3 terms
17 as a Governor.”.

18 (2) APPLICABILITY.—The amendments made
19 by paragraph (1) shall not affect the tenure of any
20 person serving as a Governor of the United States
21 Postal Service on the date of enactment of this Act
22 with respect to the term which that person is serving
23 on that date. Such person may continue to serve the
24 remainder of the applicable term, after which the
25 amendments made by paragraph (1) shall apply.

1 **SEC. 502. OBLIGATIONS.**

2 (a) PURPOSES FOR WHICH OBLIGATIONS MAY BE
3 ISSUED.—The first sentence of section 2005(a)(1) of title
4 39, United States Code, is amended by striking “title.”
5 and inserting “title, other than any of the purposes for
6 which the corresponding authority is available to the Post-
7 al Service under section 2011.”.

8 (b) INCREASE RELATING TO OBLIGATIONS ISSUED
9 FOR CAPITAL IMPROVEMENTS.—Section 2005(a)(1) of
10 title 39, United States Code, is amended by striking the
11 third sentence.

12 (c) AMOUNTS WHICH MAY BE PLEDGED.—

13 (1) OBLIGATIONS TO WHICH PROVISIONS
14 APPLY.—The first sentence of section 2005(b) of
15 title 39, United States Code, is amended by striking
16 “such obligations,” and inserting “obligations issued
17 by the Postal Service under this section,”.

18 (2) ASSETS, REVENUES, AND RECEIPTS TO
19 WHICH PROVISIONS APPLY.—Subsection (b) of sec-
20 tion 2005 of title 39, United States Code, is amend-
21 ed by striking “(b)” and inserting “(b)(1)”, and by
22 adding at the end the following:

23 “(2) Notwithstanding any other provision of this
24 section—

25 “(A) the authority to pledge assets of the Post-
26 al Service under this subsection shall be available

1 only to the extent that such assets are not related
2 to the provision of competitive products (as deter-
3 mined under section 2011(h) or, for purposes of any
4 period before accounting practices and principles
5 under section 2011(h) have been established and ap-
6 plied, the best information available from the Postal
7 Service, including the audited statements required
8 by section 2008(e)); and

9 “(B) any authority under this subsection relat-
10 ing to the pledging or other use of revenues or re-
11 ceipts of the Postal Service shall be available only to
12 the extent that they are not revenues or receipts of
13 the Competitive Products Fund.”.

14 **SEC. 503. PRIVATE CARRIAGE OF LETTERS.**

15 (a) IN GENERAL.—Section 601 of title 39, United
16 States Code, is amended by striking subsection (b) and
17 inserting the following:

18 “(b) A letter may also be carried out of the mails
19 when—

20 “(1) the amount paid for the private carriage of
21 the letter is at least the amount equal to 6 times the
22 rate then currently charged for the 1st ounce of a
23 single-piece first class letter;

24 “(2) the letter weighs at least 12½ ounces; or

1 “(3) such carriage is within the scope of serv-
2 ices described by regulations of the United States
3 Postal Service (as in effect on July 1, 2001) that
4 permit private carriage by suspension of the oper-
5 ation of this section (as then in effect).

6 “(c) Any regulations necessary to carry out this sec-
7 tion shall be promulgated by the Postal Regulatory Com-
8 mission.”.

9 (b) EFFECTIVE DATE.—This section shall take effect
10 on the date as of which the regulations promulgated under
11 section 3633 of title 39, United States Code (as amended
12 by section 202) take effect.

13 **SEC. 504. RULEMAKING AUTHORITY.**

14 Paragraph (2) of section 401 of title 39, United
15 States Code, is amended to read as follows:

16 “(2) to adopt, amend, and repeal such rules
17 and regulations, not inconsistent with this title, as
18 may be necessary in the execution of its functions
19 under this title and such other functions as may be
20 assigned to the Postal Service under any provisions
21 of law outside of this title;”.

22 **SEC. 505. NONINTERFERENCE WITH COLLECTIVE BAR-**
23 **GAINING AGREEMENTS.**

24 (a) LABOR DISPUTES.—Section 1207 of title 39,
25 United States Code, is amended to read as follows:

1 **“§ 1207. Labor disputes**

2 “(a) If there is a collective-bargaining agreement in
3 effect, no party to such agreement shall terminate or mod-
4 ify such agreement unless the party desiring such termi-
5 nation or modification serves written notice upon the other
6 party to the agreement of the proposed termination or
7 modification not less than 90 days prior to the expiration
8 date thereof, or not less than 90 days prior to the time
9 it is proposed to make such termination or modification.
10 The party serving such notice shall notify the Federal Me-
11 diation and Conciliation Service of the existence of a dis-
12 pute within 45 days of such notice, if no agreement has
13 been reached by that time.

14 “(b) If the parties fail to reach agreement or to adopt
15 a procedure providing for a binding resolution of a dispute
16 by the expiration date of the agreement in effect, or the
17 date of the proposed termination or modification, the Di-
18 rector of the Federal Mediation and Conciliation Service
19 shall within 10 days appoint a mediator of nationwide rep-
20 utation and professional stature, and who is also a mem-
21 ber of the National Academy of Arbitrators. The parties
22 shall cooperate with the mediator in an effort to reach an
23 agreement and shall meet and negotiate in good faith at
24 such times and places that the mediator, in consultation
25 with the parties, shall direct.

1 “(c)(1) If no agreement is reached within 60 days
2 after the expiration or termination of the agreement or
3 the date on which the agreement became subject to modi-
4 fication under subsection (a) of this section, or if the par-
5 ties decide upon arbitration but do not agree upon the pro-
6 cedures therefore, an arbitration board shall be established
7 consisting of 3 members, 1 of whom shall be selected by
8 the Postal Service, 1 by the bargaining representative of
9 the employees, and the third by the 2 thus selected. If
10 either of the parties fails to select a member, or if the
11 members chosen by the parties fail to agree on the third
12 person within 5 days after their first meeting, the selection
13 shall be made from a list of names provided by the Direc-
14 tor. This list shall consist of not less than 9 names of arbi-
15 trators of nationwide reputation and professional nature,
16 who are also members of the National Academy of Arbi-
17 trators, and whom the Director has determined are avail-
18 able and willing to serve.

19 “(2) The arbitration board shall give the parties a
20 full and fair hearing, including an opportunity to present
21 evidence in support of their claims, and an opportunity
22 to present their case in person, by counsel or by other rep-
23 resentative as they may elect. Decisions of the arbitration
24 board shall be conclusive and binding upon the parties.

1 The arbitration board shall render its decision within 45
2 days after its appointment.

3 “(3) Costs of the arbitration board and mediation
4 shall be shared equally by the Postal Service and the bar-
5 gaining representative.

6 “(d) In the case of a bargaining unit whose recog-
7 nized collective-bargaining representative does not have an
8 agreement with the Postal Service, if the parties fail to
9 reach the agreement within 90 days of the commencement
10 of collective bargaining, a mediator shall be appointed in
11 accordance with the terms in subsection (b) of this section,
12 unless the parties have previously agreed to another proce-
13 dure for a binding resolution of their differences. If the
14 parties fail to reach agreement within 180 days of the
15 commencement of collective bargaining, and if they have
16 not agreed to another procedure for binding resolution, an
17 arbitration board shall be established to provide conclusive
18 and binding arbitration in accordance with the terms of
19 subsection (e) of this section.”.

20 (b) NONINTERFERENCE WITH COLLECTIVE BAR-
21 GAINING AGREEMENTS.—Except as otherwise provided by
22 the amendment made by subsection (a), nothing in this
23 Act shall restrict, expand, or otherwise affect any of the
24 rights, privileges, or benefits of either employees of or
25 labor organizations representing employees of the United

1 States Postal Service under chapter 12 of title 39, United
2 States Code, the National Labor Relations Act, any hand-
3 book or manual affecting employee labor relations within
4 the United States Postal Service, or any collective bar-
5 gaining agreement.

6 (c) FREE MAILING PRIVILEGES CONTINUE UN-
7 CHANGED.—Nothing in this Act or any amendment made
8 by this Act shall affect any free mailing privileges ac-
9 corded under section 3217 or sections 3403 through 3406
10 of title 39, United States Code.

11 **TITLE VI—ENHANCED**
12 **REGULATORY COMMISSION**

13 **SEC. 601. REORGANIZATION AND MODIFICATION OF CER-**
14 **TAIN PROVISIONS RELATING TO THE POSTAL**
15 **REGULATORY COMMISSION.**

16 (a) TRANSFER AND REDESIGNATION.—Title 39,
17 United States Code, is amended—

18 (1) by inserting after chapter 4 the following:

19 **“CHAPTER 5—POSTAL REGULATORY**
20 **COMMISSION**

“Sec.

“501. Establishment.

“502. Commissioners.

“503. Rules; regulations; procedures.

“504. Administration.

“505. Officer of the Postal Regulatory Commission representing the general
public.

1 **“§ 501. Establishment**

2 “The Postal Regulatory Commission is an inde-
3 pendent establishment of the executive branch of the Gov-
4 ernment of the United States.

5 **“§ 502. Commissioners**

6 “(a) The Postal Regulatory Commission is composed
7 of 5 Commissioners, appointed by the President, by and
8 with the advice and consent of the Senate. The Commis-
9 sioners shall be chosen solely on the basis of their technical
10 qualifications, professional standing, and demonstrated
11 expertise in economics, accounting, law, or public adminis-
12 tration, and may be removed by the President only for
13 cause. Each individual appointed to the Commission shall
14 have the qualifications and expertise necessary to carry
15 out the enhanced responsibilities accorded Commissioners
16 under the Postal Accountability and Enhancement Act.
17 Not more than 3 of the Commissioners may be adherents
18 of the same political party.

19 “(b) No Commissioner shall be financially interested
20 in any enterprise in the private sector of the economy en-
21 gaged in the delivery of mail matter.

22 “(c) A Commissioner may continue to serve after the
23 expiration of his term until his successor has qualified,
24 except that a Commissioner may not so continue to serve
25 for more than 1 year after the date upon which his term
26 otherwise would expire under subsection (f).

1 “(d) One of the Commissioners shall be designated
2 as Chairman by, and shall serve in the position of Chair-
3 man at the pleasure of, the President.

4 “(e) The Commissioners shall by majority vote des-
5 ignate a Vice Chairman of the Commission. The Vice
6 Chairman shall act as Chairman of the Commission in the
7 absence of the Chairman.

8 “(f) The Commissioners shall serve for terms of 6
9 years.”;

10 (2) by striking, in subchapter I of chapter 36
11 (as in effect before the amendment made by section
12 201(c)), the heading for such subchapter I and all
13 that follows through section 3602;

14 (3) by redesignating sections 3603 and 3604 as
15 sections 503 and 504, respectively, and transferring
16 such sections to the end of chapter 5 (as inserted by
17 paragraph (1)); and

18 (4) by adding after such section 504 the fol-
19 lowing:

20 **“§ 505. Officer of the Postal Regulatory Commission**
21 **representing the general public**

22 “The Postal Regulatory Commission shall designate
23 an officer of the Postal Regulatory Commission in all pub-
24 lic proceedings who shall represent the interests of the
25 general public.”.

1 (b) APPLICABILITY.—The amendment made by sub-
 2 section (a)(1) shall not affect the appointment or tenure
 3 of any person serving as a Commissioner on the Postal
 4 Regulatory Commission (as so redesignated by section
 5 604) under an appointment made before the date of the
 6 enactment of this Act or any nomination made before that
 7 date, but, when any such office becomes vacant, the ap-
 8 pointment of any person to fill that office shall be made
 9 in accordance with such amendment.

10 (c) CLERICAL AMENDMENT.—The analysis for part
 11 I of title 39, United States Code, is amended by inserting
 12 after the item relating to chapter 4 the following:

“5. Postal Regulatory Commission 501”

13 **SEC. 602. AUTHORITY FOR POSTAL REGULATORY COMMIS-**
 14 **SION TO ISSUE SUBPOENAS.**

15 Section 504 of title 39, United States Code (as so
 16 redesignated by section 601) is amended by adding at the
 17 end the following:

18 “(f)(1) Any Commissioner of the Postal Regulatory
 19 Commission, any administrative law judge appointed by
 20 the Commission under section 3105 of title 5, and any
 21 employee of the Commission designated by the Commis-
 22 sion may administer oaths, examine witnesses, take depo-
 23 sitions, and receive evidence.

24 “(2) The Chairman of the Commission, any Commis-
 25 sioner designated by the Chairman, and any administra-

1 tive law judge appointed by the Commission under section
2 3105 of title 5 may, with respect to any proceeding con-
3 ducted by the Commission under this title or to obtain
4 information to be used to prepare a report under this
5 title—

6 “(A) issue subpoenas requiring the attendance
7 and presentation of testimony by, or the production
8 of documentary or other evidence in the possession
9 of, any covered person; and

10 “(B) order the taking of depositions and re-
11 sponses to written interrogatories by a covered per-
12 son.

13 The written concurrence of a majority of the Commis-
14 sioners then holding office shall, with respect to each sub-
15 poena under subparagraph (A), be required in advance of
16 its issuance.

17 “(3) In the case of contumacy or failure to obey a
18 subpoena issued under this subsection, upon application
19 by the Commission, the district court of the United States
20 for the district in which the person to whom the subpoena
21 is addressed resides or is served may issue an order requir-
22 ing such person to appear at any designated place to tes-
23 tify or produce documentary or other evidence. Any failure
24 to obey the order of the court may be punished by the
25 court as a contempt thereof.

1 “(4) For purposes of this subsection, the term ‘cov-
2 ered person’ means an officer, employee, agent, or con-
3 tractor of the Postal Service.

4 “(g)(1) If the Postal Service determines that any doc-
5 ument or other matter it provides to the Postal Regulatory
6 Commission under a subpoena issued under subsection (f),
7 or otherwise at the request of the Commission in connec-
8 tion with any proceeding or other purpose under this title,
9 contains information which is described in section 410(c)
10 of this title, or exempt from public disclosure under sec-
11 tion 552(b) of title 5, the Postal Service shall, at the time
12 of providing such matter to the Commission, notify the
13 Commission, in writing, of its determination (and the rea-
14 sons therefor).

15 “(2) Except as provided in paragraph (3), no officer
16 or employee of the Commission may, with respect to any
17 information as to which the Commission has been notified
18 under paragraph (1)—

19 “(A) use such information for purposes other
20 than the purposes for which it is supplied; or

21 “(B) permit anyone who is not an officer or
22 employee of the Commission to have access to any
23 such information.

24 “(3)(A) Paragraph (2) shall not prohibit the
25 Commission from publicly disclosing relevant infor-

1 mation in furtherance of its duties under this title,
2 provided that the Commission has adopted regula-
3 tions under section 553 of title 5, that establish a
4 procedure for according appropriate confidentiality
5 to information identified by the Postal Service under
6 paragraph (1). In determining the appropriate de-
7 gree of confidentiality to be accorded information
8 identified by the Postal Service under paragraph (1),
9 the Commission shall balance the nature and extent
10 of the likely commercial injury to the Postal Service
11 against the public interest in maintaining the finan-
12 cial transparency of a government establishment
13 competing in commercial markets.

14 “(B) Paragraph (2) shall not prevent the Com-
15 mission from requiring production of information in
16 the course of any discovery procedure established in
17 connection with a proceeding under this title. The
18 Commission shall, by regulations based on rule 26(c)
19 of the Federal Rules of Civil Procedure, establish
20 procedures for ensuring appropriate confidentiality
21 for information furnished to any party.”.

22 **SEC. 603. APPROPRIATIONS FOR THE POSTAL REGU-**
23 **LATORY COMMISSION.**

24 (a) **AUTHORIZATION OF APPROPRIATIONS.**—Sub-
25 section (d) of section 504 of title 39, United States Code

1 (as so redesignated by section 601) is amended to read
2 as follows:

3 “(d) There are authorized to be appropriated, out of
4 the Postal Service Fund, such sums as may be necessary
5 for the Postal Regulatory Commission. In requesting an
6 appropriation under this subsection for a fiscal year, the
7 Commission shall prepare and submit to the Congress
8 under section 2009 a budget of the Commission’s ex-
9 penses, including expenses for facilities, supplies, com-
10 pensation, and employee benefits.”.

11 (b) BUDGET PROGRAM.—

12 (1) IN GENERAL.—The next to last sentence of
13 section 2009 of title 39, United States Code, is
14 amended to read as follows: “The budget program
15 shall also include separate statements of the
16 amounts which (1) the Postal Service requests to be
17 appropriated under subsections (b) and (c) of section
18 2401, (2) the Office of Inspector General of the
19 United States Postal Service requests to be appro-
20 priated, out of the Postal Service Fund, under sec-
21 tion 8G(f) of the Inspector General Act of 1978, and
22 (3) the Postal Regulatory Commission requests to be
23 appropriated, out of the Postal Service Fund, under
24 section 504(d) of this title.”.

1 (2) CONFORMING AMENDMENT.—Section
2 2003(e)(1) of title 39, United States Code, is
3 amended by striking the first sentence and inserting
4 the following: “The Fund shall be available for the
5 payment of (A) all expenses incurred by the Postal
6 Service in carrying out its functions as provided by
7 law, subject to the same limitation as set forth in
8 the parenthetical matter under subsection (a); (B)
9 all expenses of the Postal Regulatory Commission,
10 subject to the availability of amounts appropriated
11 under section 504(d); and (C) all expenses of the Of-
12 fice of Inspector General, subject to the availability
13 of amounts appropriated under section 8G(f) of the
14 Inspector General Act of 1978.”.

15 (c) EFFECTIVE DATE.—

16 (1) IN GENERAL.—The amendments made by
17 this section shall apply with respect to fiscal years
18 beginning on or after October 1, 2002.

19 (2) SAVINGS PROVISION.—The provisions of
20 title 39, United States Code, that are amended by
21 this section shall, for purposes of any fiscal year be-
22 fore the first fiscal year to which the amendments
23 made by this section apply, continue to apply in the
24 same way as if this section had never been enacted.

1 **SEC. 604. REDESIGNATION OF THE POSTAL RATE COMMIS-**
2 **SION.**

3 (a) AMENDMENTS TO TITLE 39, UNITED STATES
4 CODE.—Title 39, United States Code, is amended in sec-
5 tions 404, 503 and 504 (as so redesignated by section
6 601), 1001 and 1002, by striking “Postal Rate Commis-
7 sion” each place it appears and inserting “Postal Regu-
8 latory Commission”;

9 (b) AMENDMENTS TO TITLE 5, UNITED STATES
10 CODE.—Title 5, United States Code, is amended in sec-
11 tions 104(1), 306(f), 2104(b), 3371(3), 5314 (in the item
12 relating to Chairman, Postal Rate Commission), 5315 (in
13 the item relating to Members, Postal Rate Commission),
14 5514(a)(5)(B), 7342(a)(1)(A), 7511(a)(1)(B)(ii),
15 8402(c)(1), 8423(b)(1)(B), and 8474(c)(4) by striking
16 “Postal Rate Commission” and inserting “Postal Regu-
17 latory Commission”.

18 (c) AMENDMENT TO THE ETHICS IN GOVERNMENT
19 ACT OF 1978.—Section 101(f)(6) of the Ethics in Govern-
20 ment Act of 1978 (5 U.S.C. App.) is amended by striking
21 “Postal Rate Commission” and inserting “Postal Regu-
22 latory Commission”.

23 (d) AMENDMENT TO THE REHABILITATION ACT OF
24 1973.—Section 501(b) of the Rehabilitation Act of 1973
25 (29 U.S.C. 791(b)) is amended by striking “Postal Rate
26 Office” and inserting “Postal Regulatory Commission”.

1 (e) AMENDMENT TO TITLE 44, UNITED STATES
2 CODE.—Section 3502(5) of title 44, United States Code,
3 is amended by striking “Postal Rate Commission” and in-
4 serting “Postal Regulatory Commission”.

5 (f) OTHER REFERENCES.—Whenever a reference is
6 made in any provision of law (other than this Act or a
7 provision of law amended by this Act), regulation, rule,
8 document, or other record of the United States to the
9 Postal Rate Commission, such reference shall be consid-
10 ered a reference to the Postal Regulatory Commission.

11 **SEC. 605. FINANCIAL TRANSPARENCY.**

12 Section 101 of title 39, United States Code, is
13 amended—

14 (1) by redesignating subsections (d) through (g)
15 as subsections (e) through (h), respectively; and

16 (2) by inserting after subsection (c) the fol-
17 lowing:

18 “(d) As an independent establishment of the execu-
19 tive branch of the Government of the United States, the
20 Postal Service shall be subject to a high degree of trans-
21 parency to ensure fair treatment of customers of the Post-
22 al Service’s market-dominant products and companies
23 competing with the Postal Service’s competitive prod-
24 ucts.”.

1 **TITLE VII—EVALUATIONS**

2 **SEC. 701. ASSESSMENTS OF RATEMAKING, CLASSIFICA-**
3 **TION, AND OTHER PROVISIONS.**

4 (a) IN GENERAL.—The Postal Regulatory Commis-
5 sion shall, at least every 3 years, submit a report to the
6 President and Congress concerning—

7 (1) the operation of the amendments made by
8 this Act; and

9 (2) recommendations for any legislation or
10 other measures necessary to improve the effective-
11 ness or efficiency of the postal laws of the United
12 States.

13 (b) POSTAL SERVICE VIEWS.—A report under this
14 section shall be submitted only after reasonable oppor-
15 tunity has been afforded to the Postal Service to review
16 the report and to submit written comments on the report.
17 Any comments timely received from the Postal Service
18 under the preceding sentence shall be attached to the re-
19 port submitted under subsection (a).

20 **SEC. 702. REPORT ON UNIVERSAL POSTAL SERVICE AND**
21 **THE POSTAL MONOPOLY.**

22 (a) REPORT BY THE POSTAL REGULATORY COMMIS-
23 SION.—

24 (1) IN GENERAL.—Not later than 12 months
25 after the date of enactment of this Act, the Postal

1 Regulatory Commission shall submit a report to the
2 President and Congress on universal postal service
3 and the postal monopoly in the United States (in
4 this section referred to as “universal service and the
5 postal monopoly”), including the monopoly on the
6 delivery of mail and on access to mailboxes.

7 (2) CONTENTS.—The report under this sub-
8 section shall include—

9 (A) a comprehensive review of the history
10 and development of universal service and the
11 postal monopoly, including how the scope and
12 standards of universal service and the postal
13 monopoly have evolved over time for the Nation
14 and its urban and rural areas;

15 (B) the scope and standards of universal
16 service and the postal monopoly provided under
17 current law (including sections 101 and 403 of
18 title 39, United States Code), and current
19 rules, regulations, policy statements, and prac-
20 tices of the Postal Service;

21 (C) a description of any geographic areas,
22 populations, communities (including both urban
23 and rural communities), organizations, or other
24 groups or entities not currently covered by uni-
25 versal service or that are covered but that are

1 receiving services deficient in scope or quality
2 or both; and

3 (D) the scope and standards of universal
4 service and the postal monopoly likely to be re-
5 quired in the future in order to meet the needs
6 and expectations of the United States public,
7 including all types of mail users, based on dis-
8 cussion of such assumptions, alternative sets of
9 assumptions, and analyses as the Postal Service
10 considers plausible.

11 (b) RECOMMENDED CHANGES TO UNIVERSAL SERV-
12 ICE AND THE MONOPOLY.—The Postal Regulatory Com-
13 mission shall include in the report under subsection (a),
14 and in all reports submitted under section 701 of this
15 Act—

16 (1) any recommended changes to universal serv-
17 ice and the postal monopoly as the Commission con-
18 siders appropriate, including changes that the Com-
19 mission may implement under current law and
20 changes that would require changes to current law,
21 with estimated effects of the recommendations on
22 the service, financial condition, rates, and security of
23 mail provided by the Postal Service;

24 (2) with respect to each recommended change
25 described under paragraph (1)—

1 (A) an estimate of the costs of the Postal
2 Service attributable to the obligation to provide
3 universal service under current law; and

4 (B) an analysis of the likely benefit of the
5 current postal monopoly to the ability of the
6 Postal Service to sustain the current scope and
7 standards of universal service, including esti-
8 mates of the financial benefit of the postal mo-
9 nopoly to the extent practicable, under current
10 law; and

11 (3) such additional topics and recommendations
12 as the Commission considers appropriate, with esti-
13 mated effects of the recommendations on the service,
14 financial condition, rates, and the security of mail
15 provided by the Postal Service.

16 **SEC. 703. STUDY ON EQUAL APPLICATION OF LAWS TO**
17 **COMPETITIVE PRODUCTS.**

18 (a) IN GENERAL.—The Federal Trade Commission
19 shall prepare and submit to the President and Congress,
20 and to the Postal Regulatory Commission, within 1 year
21 after the date of the enactment of this Act, a comprehen-
22 sive report identifying Federal and State laws that apply
23 differently to the United States Postal Service with re-
24 spect to the competitive category of mail (within the mean-
25 ing of section 102 of title 39, United States Code, as

1 amended by section 101) and similar products provided
2 by private companies.

3 (b) RECOMMENDATIONS.—The Federal Trade Com-
4 mission shall include such recommendations as it con-
5 siders appropriate for bringing such legal discrimination
6 to an end, and in the interim, to account under section
7 3633 of title 39, United States Code (as added by this
8 Act), for the net economic advantages provided by those
9 laws.

10 (c) CONSULTATION.—In preparing its report, the
11 Federal Trade Commission shall consult with the United
12 States Postal Service, the Postal Regulatory Commission,
13 other Federal agencies, mailers, private companies that
14 provide delivery services, and the general public, and shall
15 append to such report any written comments received
16 under this subsection.

17 (d) COMPETITIVE PRODUCT REGULATION.—The
18 Postal Regulatory Commission shall take into account the
19 recommendations of the Federal Trade Commission in
20 promulgating or revising the regulations required under
21 section 3633 of title 39, United States Code.

22 **SEC. 704. REPORT ON POSTAL WORKPLACE SAFETY AND**
23 **WORKPLACE-RELATED INJURIES.**

24 (a) REPORT BY THE INSPECTOR GENERAL.—

1 (1) IN GENERAL.—No later than 6 months
2 after the enactment of this Act, the Inspector Gen-
3 eral of the United States Postal Service shall submit
4 a report to Congress and the Postal Service that—

5 (A) details and assesses any progress the
6 Postal Service has made in improving workplace
7 safety and reducing workplace-related injuries
8 nationwide; and

9 (B) identifies opportunities for improve-
10 ment that remain with respect to such improve-
11 ments and reductions.

12 (2) CONTENTS.—The report under this sub-
13 section shall also—

14 (A) discuss any injury reduction goals es-
15 tablished by the Postal Service;

16 (B) describe the actions that the Postal
17 Service has taken to improve workplace safety
18 and reduce workplace-related injuries, and as-
19 sess how successful the Postal Service has been
20 in meeting its injury reduction goal; and

21 (C) identify areas where the Postal Service
22 has failed to meet its injury reduction goals, ex-
23 plain the reasons why these goals were not met,
24 and identify opportunities for making further
25 progress in meeting these goals.

1 (b) REPORT BY THE POSTAL SERVICE.—

2 (1) REPORT TO CONGRESS.—Not later than 6
3 months after receiving the report under subsection
4 (a), the Postal Service shall submit a report to Con-
5 gress detailing how it plans to improve workplace
6 safety and reduce workplace-related injuries nation-
7 wide, including goals and metrics.

8 (2) PROBLEM AREAS.—The report under this
9 subsection shall also include plans, developed in con-
10 sultation with the Inspector General and employee
11 representatives, including representatives of each
12 postal labor union and management association, for
13 addressing the problem areas identified by the In-
14 spector General in the report under subsection
15 (a)(2)(C).

16 **TITLE VIII—POSTAL SERVICE**
17 **RETIREMENT AND HEALTH**
18 **BENEFITS FUNDING**

19 **SEC. 801. SHORT TITLE.**

20 This title may be cited as the “Postal Civil Service
21 Retirement and Health Benefits Funding Amendments of
22 2004”.

23 **SEC. 802. CIVIL SERVICE RETIREMENT SYSTEM.**

24 (a) IN GENERAL.—Chapter 83 of title 5, United
25 States Code, is amended—

1 (1) in section 8334(a)(1)(B), by striking clause
2 (ii) and inserting the following:

3 “(ii) In the case of an employee of the United States
4 Postal Service, no amount shall be contributed under this
5 subparagraph.”; and

6 (2) by amending section 8348(h) to read as fol-
7 lows:

8 “(h)(1) In this subsection, the term ‘Postal surplus
9 or supplemental liability’ means the estimated difference,
10 as determined by the Office, between—

11 “(A) the actuarial present value of all future
12 benefits payable from the Fund under this sub-
13 chapter to current or former employees of the
14 United States Postal Service and attributable to ci-
15 vilian employment with the United States Postal
16 Service; and

17 “(B) the sum of—

18 “(i) the actuarial present value of deduc-
19 tions to be withheld from the future basic pay
20 of employees of the United States Postal Serv-
21 ice currently subject to this subchapter under
22 section 8334;

23 “(ii) that portion of the Fund balance, as
24 of the date the Postal surplus or supplemental
25 liability is determined, attributable to payments

1 to the Fund by the United States Postal Serv-
2 ice and its employees, minus benefit payments
3 attributable to civilian employment with the
4 United States Postal Service, plus the earnings
5 on such amounts while in the Fund; and

6 “(iii) any other appropriate amount, as de-
7 termined by the Office in accordance with gen-
8 erally accepted actuarial practices and prin-
9 ciples.

10 “(2)(A) Not later than June 30, 2006, the Office
11 shall determine the Postal surplus or supplemental liabil-
12 ity, as of September 30, 2005. If that result is a surplus,
13 the amount of the surplus shall be transferred to the Post-
14 al Service Retiree Health Benefits Fund established under
15 section 8909a. If the result is a supplemental liability, the
16 Office shall establish an amortization schedule, including
17 a series of annual installments commencing September 30,
18 2006, which provides for the liquidation of such liability
19 by September 30, 2043.

20 “(B) The Office shall redetermine the Postal surplus
21 or supplemental liability as of the close of the fiscal year,
22 for each fiscal year beginning after September 30, 2006,
23 through the fiscal year ending September 30, 2038. If the
24 result is a surplus, that amount shall remain in the Fund
25 until distribution is authorized under subparagraph (C),

1 and any prior amortization schedule for payments shall
2 be terminated. If the result is a supplemental liability, the
3 Office shall establish a new amortization schedule, includ-
4 ing a series of annual installments commencing on Sep-
5 tember 30 of the subsequent fiscal year, which provides
6 for the liquidation of such liability by September 30, 2043.

7 “(C) As of the close of the fiscal years ending Sep-
8 tember 30, 2015, 2025, 2035, and 2039, if the result is
9 a surplus, that amount shall be transferred to the Postal
10 Service Retiree Health Benefits Fund, and any prior am-
11 ortization schedule for payments shall be terminated.

12 “(D) Amortization schedules established under this
13 paragraph shall be set in accordance with generally accept-
14 ed actuarial practices and principles, with interest com-
15 puted at the rate used in the most recent valuation of the
16 Civil Service Retirement System.

17 “(E) The United States Postal Service shall pay the
18 amounts so determined to the Office, with payments due
19 not later than the date scheduled by the Office.

20 “(3) Notwithstanding any other provision of law, in
21 computing the amount of any payment under any other
22 subsection of this section that is based upon the amount
23 of the unfunded liability, such payment shall be computed
24 disregarding that portion of the unfunded liability that the

1 Office determines will be liquidated by payments under
2 this subsection.”.

3 (b) CREDIT ALLOWED FOR MILITARY SERVICE.—In
4 the application of section 8348(g)(2) of title 5, United
5 States Code, for the fiscal year 2006, the Office of Per-
6 sonnel Management shall include, in addition to the
7 amount otherwise computed under that paragraph, the
8 amounts that would have been included for the fiscal years
9 2003 through 2005 with respect to credit for military serv-
10 ice of former employees of the United States Postal Serv-
11 ice as though the Postal Civil Service Retirement System
12 Funding Reform Act of 2003 (Public Law 108–18) had
13 not been enacted, and the Secretary of the Treasury shall
14 make the required transfer to the Civil Service Retirement
15 and Disability Fund based on that amount.

16 **SEC. 803. HEALTH INSURANCE.**

17 (a) IN GENERAL.—Chapter 89 of title 5, United
18 States Code, is amended—

19 (1) in section 8906(g)(2)(A), by striking “shall
20 be paid by the United States Postal Service.” and
21 inserting “shall be paid first from the Postal Service
22 Retiree Health Benefits Fund up to the amount con-
23 tained in the Fund, with any remaining amount paid
24 by the United States Postal Service.”; and

1 (2) by inserting after section 8909 the fol-
2 lowing:

3 **“§ 8909a. Postal Service Retiree Health Benefit Fund**

4 “(a) There is in the Treasury of the United States
5 a Postal Service Retiree Health Benefits Fund which is
6 administered by the Office of Personnel Management.

7 “(b) The Fund is available without fiscal year limita-
8 tion for payments required under section 8906(g)(2)(A).

9 “(c) The Secretary of the Treasury shall immediately
10 invest, in interest-bearing securities of the United States
11 such currently available portions of the Fund as are not
12 immediately required for payments from the Fund. Such
13 investments shall be made in the same manner as invest-
14 ments for the Civil Service Retirement and Disability
15 Fund under section 8348.

16 “(d)(1) Not later than December 31, 2006, and by
17 December 31 of each succeeding year, the Office shall
18 compute the net present value of the future payments re-
19 quired under section 8906(g)(2)(A) and attributable to
20 the service of Postal Service employees during the most
21 recently ended fiscal year.

22 “(2)(A) Not later than December 31, 2006, the Of-
23 fice shall compute, and by December 31 of each suc-
24 ceeding year, the Office shall recompute the difference
25 between—

1 “(i) the net present value of the excess of fu-
2 ture payments required under section 8906(g)(2)(A)
3 for current and future United States Postal Service
4 annuitants as of the end of the fiscal year ending on
5 September 30 of that year; and

6 “(ii)(I) the value of the assets of the Postal Re-
7 tiree Health Benefits Fund as of the end of the fis-
8 cal year ending on September 30 of that year; and

9 “(II) the net present value computed under
10 paragraph (1).

11 “(B) Not later than December 31, 2006, the Office
12 shall compute, and by December 31 of each succeeding
13 year shall recompute, an amortization schedule including
14 a series of annual installments which provide for the liq-
15 uidation by January 31, 2046, or within 15 years, which-
16 ever is later, of the net present value determined under
17 subparagraph (A), including interest at the rate used in
18 that computation.

19 “(3) Not later than January 31, 2007, and by Janu-
20 ary 31 of each succeeding year, the United States Postal
21 Service shall pay into such Fund—

22 “(A) the net present value computed under
23 paragraph (1); and

24 “(B) the annual installment computed under
25 paragraph (2)(B).

1 “(4) Computations under this subsection shall be
2 made consistent with the assumptions and methodology
3 used by the Office for financial reporting under sub-
4 chapter II of chapter 35 of title 31.

5 “(5) After consultation with the United States Postal
6 Service, the Office shall promulgate any regulations the
7 Office determines necessary under this subsection.”.

8 (b) TECHNICAL AND CONFORMING AMENDMENT.—
9 The table of sections for chapter 89 of title 5, United
10 States Code, is amended by inserting after the item relat-
11 ing to section 8909 the following:

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

12 **SEC. 804. REPEAL OF DISPOSITION OF SAVINGS PROVISION.**

13 Section 3 of the Postal Civil Service Retirement Sys-
14 tem Funding Reform Act of 2003 (Public Law 108–18)
15 is repealed.

16 **SEC. 805. EFFECTIVE DATES.**

17 (a) IN GENERAL.—Except as provided under sub-
18 section (b), this title shall take effect on October 1, 2005.

19 (b) TERMINATION OF EMPLOYER CONTRIBUTION.—
20 The amendment made by paragraph (1) of section 802(a)
21 shall take effect on the first day of the first pay period
22 beginning on or after October 1, 2005.

1 **TITLE IX—COMPENSATION FOR**
2 **WORK INJURIES**

3 **SEC. 901. TEMPORARY DISABILITY; CONTINUATION OF PAY.**

4 (a) TIME OF ACCRUAL OF RIGHT.—Section 8117 of
5 title 5, United States Code, is amended—

6 (1) by striking “An employee” and inserting
7 “(a) An employee other than a Postal Service em-
8 ployee”; and

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

10 “(b) A Postal Service employee is not entitled to com-
11 pensation or continuation of pay for the first 3 days of
12 temporary disability, except as provided under paragraph
13 (3) of subsection (a). A Postal Service employee may use
14 annual leave, sick leave, or leave without pay during that
15 3-day period, except that if the disability exceeds 14 days
16 or is followed by permanent disability, the employee may
17 have their sick leave or annual leave reinstated or receive
18 pay for the time spent on leave without pay under this
19 section.”.

20 (b) TECHNICAL AND CONFORMING AMENDMENT.—
21 Section 8118(b)(1) of title 5, United States Code, is
22 amended to read as follows:

23 “(1) without a break in time, except as pro-
24 vided under section 8117(b), unless controverted
25 under regulations of the Secretary”.

1 **SEC. 902. DISABILITY RETIREMENT FOR POSTAL EMPLOY-**
2 **EES.**

3 (a) **TOTAL DISABILITY.**—Section 8105 of title 5,
4 United States Code, is amended—

5 (1) in subsection (a), by adding at the end the
6 following: “This section applies to a Postal Service
7 employee, except as provided under subsection (c).”;
8 and

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

10 “(c)(1) In this subsection, the term ‘retirement age’
11 has the meaning given under section 216(l)(1) of the So-
12 cial Security Act (42 U.S.C. 416(l)(1)).

13 “(2) Notwithstanding any other provision of law, for
14 any injury occurring on or after the date of enactment
15 of the Postal Accountability and Enhancement Act, and
16 for any new claim for a period of disability commencing
17 on or after that date, the compensation entitlement for
18 total disability is converted to 50 percent of the monthly
19 pay of the employee on the later of—

20 “(A) the date on which the injured employee
21 reaches retirement age; or

22 “(B) 1 year after the employee begins receiving
23 compensation.”.

24 (b) **PARTIAL DISABILITY.**—Section 8106 of title 5,
25 United States Code, is amended—

1 (1) in subsection (a), by adding at the end the
2 following: “This section applies to a Postal Service
3 employee, except as provided under subsection (d).”;
4 and

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

6 “(d)(1) In this subsection, the term ‘retirement age’
7 has the meaning given under section 216(l)(1) of the So-
8 cial Security Act (42 U.S.C. 416(l)(1)).

9 “(2) Notwithstanding any other provision of
10 law, for any injury occurring on or after the date of
11 enactment of this subsection, and for any new claim
12 for a period of disability commencing on or after
13 that date, the compensation entitlement for partial
14 disability is converted to 50 percent of the difference
15 between the monthly pay of an employee and the
16 monthly wage earning capacity of the employee after
17 the beginning of partial disability on the later of—

18 “(A) the date on which the injured em-
19 ployee reaches retirement age; or

20 “(B) 1 year after the employee begins re-
21 ceiving compensation.”.

1 **TITLE X—MISCELLANEOUS**

2 **SEC. 1001. EMPLOYMENT OF POSTAL POLICE OFFICERS.**

3 Section 404 of title 39, United States Code (as
4 amended by this Act), is further amended by adding at
5 the end the following:

6 “(f) The Postal Service may employ guards for all
7 buildings and areas owned or occupied by the Postal Serv-
8 ice or under the charge and control of the Postal Service,
9 and may give such guards, with respect to such property,
10 any of the powers of special policemen provided under sec-
11 tion 1315 of title 40. The Postmaster General, or the des-
12 ignee of the Postmaster General, may take any action that
13 the Secretary of Homeland Security may take under sec-
14 tion 1315 of title 40, with respect to that property.

15 **SEC. 1002. EXPANDED CONTRACTING AUTHORITY.**

16 (a) AMENDMENT TO TITLE 39, UNITED STATES
17 CODE.—

18 (1) CONTRACTS WITH AIR CARRIERS.—Sub-
19 section (d) of section 5402 of title 39, United States
20 Code, is amended to read as follows:

21 “(d)(1) The Postal Service may contract with any air
22 carrier for the transportation of mail by aircraft in inter-
23 state air transportation, including the rates therefor, ei-
24 ther through negotiations or competitive bidding.

1 “(2) Notwithstanding subsections (a) through (c), the
2 Postal Service may contract with any air carrier or foreign
3 air carrier for the transportation of mail by aircraft in
4 foreign air transportation, including the rates therefor, ei-
5 ther through negotiations or competitive bidding, except
6 that—

7 “(A) any such contract may be awarded only to
8 (i) an air carrier holding a certificate required by
9 section 41101 of title 49 or an exemption therefrom
10 issued by the Secretary of Transportation, (ii) a for-
11 eign air carrier holding a permit required by section
12 41301 of title 49 or an exemption therefrom issued
13 by the Secretary of Transportation, or (iii) a com-
14 bination of such air carriers or foreign air carriers
15 (or both);

16 “(B) mail transported under any such contract
17 shall not be subject to any duty-to-carry requirement
18 imposed by any provision of subtitle VII of title 49
19 or by any certificate, permit, or corresponding ex-
20 emption authority issued by the Secretary of Trans-
21 portation under that subtitle;

22 “(C) every contract that the Postal Service
23 awards to a foreign air carrier under this paragraph
24 shall be subject to the continuing requirement that
25 air carriers shall be afforded the same opportunity

1 to carry the mail of the country to and from which
2 the mail is transported and the flag country of the
3 foreign air carrier, if different, as the Postal Service
4 has afforded the foreign air carrier; and

5 “(D) the Postmaster General shall consult with
6 the Secretary of Defense concerning actions that af-
7 fect the carriage of military mail transported in for-
8 eign air transportation.

9 “(3) Paragraph (2) shall not be interpreted as sus-
10 pending or otherwise diminishing the authority of the Sec-
11 retary of Transportation under section 41310 of title 49.”.

12 (2) DEFINITIONS.—Subsection (e) of section
13 5402 of title 39, United States Code, is amended to
14 read as follows:

15 “(e) For purposes of this section, the terms ‘air car-
16 rier’, ‘air transportation’, ‘foreign air carrier’, ‘foreign air
17 transportation’, ‘interstate air transportation’, and ‘mail’
18 shall have the meanings given such terms in section 40102
19 of title 49.”.

20 (b) AMENDMENTS TO TITLE 49, UNITED STATES
21 CODE.—

22 (1) AUTHORITY OF POSTAL SERVICE TO PRO-
23 VIDE FOR INTERSTATE AIR TRANSPORTATION OF
24 MAIL.—Section 41901(a) of title 49, United States
25 Code, is amended to read as follows:

1 “(a) TITLE 39.—The United States Postal Service
2 may provide for the transportation of mail by aircraft in
3 air transportation under this chapter and under chapter
4 54 of title 39.”.

5 (2) SCHEDULES FOR CERTAIN TRANSPORTATION OF MAIL.—Section 41902(b)(1) of title 49,
6 United States Code, is amended by inserting before
7 the semicolon at the end the following: “(other than
8 foreign air transportation of mail)”.

10 (3) PRICES FOR FOREIGN TRANSPORTATION OF
11 MAIL.—Section 41907 of title 49, United States
12 Code, is amended—

13 (A) by striking “(a) LIMITATIONS.—”; and

14 (B) by striking subsection (b).

15 (4) CONFORMING AMENDMENTS.—Sections
16 41107, 41901(b)(1), 41902(a), 41903(a), and
17 41903(b) of title 49, United States Code, are
18 amended by striking “in foreign air transportation
19 or”.