

H.R. 22, the Postal Accountability and Enhancement Act *Summary of Changes*

Changes Between Last Congress' Postal Bill and This Congress's Postal Bill (As Introduced):

- **Judiciary Committee Amendments**
Amendments were approved in September 2003, and remove the bankruptcy protection for USPS, and make Judiciary-recommended revisions to the language regarding postal police officers and prohibitions on mailing hazardous materials.
- **Retiree Health Benefits Payments**
Corrects a technical problem within the original legislation that would have resulted in the Postal Service double-paying more than \$500 million in required retiree health benefits payments for fiscal year 2006.
- **"Within County Periodicals"**
Ensures the continued existence of this subclass of mail, upon which community newspapers are dependent.
- **Technical modifications to the bill**
Including updates to various **effective dates for 2005.**

Changes Incorporated in the Manager's Amendment to be Considered Today:

- **Treatment of Confidential Information**
Amendment would provide the Postal Regulatory Commission (PRC) – as an independent body, rather than as the regulated entity itself (the Postal Service) – with the authority to decide what regulatory information will be protected from public disclosure on grounds of commercial sensitivity.
- **SEC-like Reporting**
Amendment proposes to require the Postal Service to file with the PRC the same public financial statements and reports required of private companies by the Securities and Exchange Commission.
- **Banking, Borrowing, and Investing**
Amendment proposes to limit Postal Service's Competitive Products Fund (which is created under the bill) to borrowing, banking, and investing from the Department of Treasury. [Under H.R. 22's current language, the newly created Competitive Products Fund would ultimately be required to bank, borrow, and invest from the private sector, rather than the U.S. Government.]
- **Business Model Study**
Amendment proposes a comprehensive, two year study by the Government Accountability Office to assess the costs, benefits, effects, and future strategies for maintaining the Postal Service as wholly part of the Executive Branch, or transforming it into a private corporation in whole or in part. This should provide Congress the proper foundation to evaluate the appropriate long term business model of the Postal Service.
- **Segment Cost/ Revenue Reporting**
Amendment includes language to ensure that "segment reporting" of the Postal Service's revenue is incorporated into the SEC-like financial reports proposed in the amendment above. SEC reports require that corporations disclose their revenues by self-determined product segments, and this amendment will guarantee that the Postal Service provides the appropriate transparency required after consultation with its independent regulator, the PRC.

Amendment proposes to ensure a more efficient process for establishing the pre-approval required under the existing language regarding the Postal Service's authority to offer bonuses to its employees that is consistent with similar performance incentive programs in other sectors. Additionally, this amendment would specifically authorize the Postal Service Board to compensate no more than a dozen senior executives at higher levels of pay than permitted under current law.

- **Network Optimization**

Amendment would transform a one-time study on the Postal Service's processing and distribution network into an annual report that would be publicly incorporated into the reports and plans required by the Government Performance and Results Act.

- **Maintaining Current Law on Board's Selection of Outside Auditors**

Amendment would drop a provision from the bill that would have required the Inspector General – rather than an independent accounting firm selected by the Board – to certify the annual financial statements. This amendment would leave existing law, which dates from the 1970 Act, in place, with the Board selecting an outside accounting firm, and the Inspector General maintaining its authorities to audit and review that work.

- **Worksharing**

Amendment would conform the House bill to the Senate bill, eliminating the House bill's five-year limit on new worksharing discounts that exceed the costs avoided by the Postal Service due to mailer preparation and transportation.

- **39 USC 403(c) Rate Discrimination**

Amendment would maintain the current law prohibition on undue or unreasonable rate discrimination.

- **Technical Changes**

Amendment would make a technical change to the definition of a "postal service," and move the directive that the PRC take the fairness and equity of the rate structure from the list of the factors to be considered in regulation to the list of objectives.