

114TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

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

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IN THE SENATE OF THE UNITED STATES

Mr. CARPER introduced the following bill; which was read twice and referred  
to the Committee on \_\_\_\_\_

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**A BILL**

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Improving Postal Op-  
5 erations, Service, and Transparency Act of 2015”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Definitions.
- Sec. 4. Universal service obligation and guiding principles.

TITLE I—POSTAL SERVICE WORKFORCE

- Sec. 101. Postal specific assumptions.
- Sec. 102. Postal Service Health Benefits Program.

## 2

- Sec. 103. Restructuring of payments for retiree health benefits.
- Sec. 104. Annual Federal Employees' Retirement System and Civil Service Retirement System assessments.
- Sec. 105. Right of appeal to Merit Systems Protection Board.
- Sec. 106. Labor disputes.
- Sec. 107. Supervisory and other managerial organizations.
- Sec. 108. Addressing the morale of Postal Service employees.

## TITLE II—POSTAL OPERATIONS

- Sec. 201. Long-term solvency plan; annual financial plan and budget.
- Sec. 202. Plant closings and consolidations.
- Sec. 203. Post office closings, consolidations, and restructuring.
- Sec. 204. Area and district office structure.
- Sec. 205. Service standards and performance ratings.
- Sec. 206. Conversion of door delivery points.
- Sec. 207. Fleet maintenance reporting and alternative fuel and emerging technologies demonstration program.
- Sec. 208. Multi-broker lease of Postal Service facilities.
- Sec. 209. Capitol Complex post offices.

## TITLE III—POSTAL SERVICE REVENUE AND INNOVATION

- Sec. 301. Rates.
- Sec. 302. Postal costing system.
- Sec. 303. Nonpostal services.
- Sec. 304. Shipping of wine, beer, and distilled spirits.
- Sec. 305. Chief Innovation Officer; innovation strategy.
- Sec. 306. Strategic Advisory Commission on Postal Service Solvency, Service, and Innovation.

TITLE IV—POSTAL SERVICE CUSTOMER SERVICE,  
TRANSPARENCY, AND REGULATION

- Sec. 401. Customer service study and report.
- Sec. 402. Postal Service results and terms.
- Sec. 403. Annual report on United States mailing industry.
- Sec. 404. Postal Regulatory Commission.
- Sec. 405. Inspector General of the United States Postal Service and the Postal Regulatory Commission.
- Sec. 406. GAO report on fragmentation, overlap, and duplication in Federal programs and activities.
- Sec. 407. Postal services for market-dominant products.
- Sec. 408. Postal Inspection Service Mail Covers program.
- Sec. 409. Contract disputes.
- Sec. 410. Contracting provisions.

## TITLE V—FEDERAL EMPLOYEES' COMPENSATION ACT

- Sec. 501. Short title; references.
- Sec. 502. Federal workers compensation reforms for retirement-age employees.
- Sec. 503. Augmented compensation for dependents.
- Sec. 504. Schedule compensation payments.
- Sec. 505. Vocational rehabilitation.
- Sec. 506. Reporting requirements.
- Sec. 507. Disability management review; independent medical examinations.
- Sec. 508. Waiting period.

- Sec. 509. Election of benefits.
- Sec. 510. Sanction for noncooperation with field nurses.
- Sec. 511. Subrogation of continuation of pay.
- Sec. 512. Integrity and compliance.
- Sec. 513. Amount of compensation.
- Sec. 514. Terrorism injuries; zones of armed conflict.
- Sec. 515. Technical and conforming amendments.
- Sec. 516. Regulations.
- Sec. 517. Effective date.

1 **SEC. 3. DEFINITIONS.**

2 In this Act, the following definitions shall apply:

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

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

7 **SEC. 4. UNIVERSAL SERVICE OBLIGATION AND GUIDING**  
8 **PRINCIPLES.**

9 Not later than 1 year after the date of enactment  
10 of this Act, the Commission shall submit to Congress a  
11 report on the universal service obligation of the Postal  
12 Service that—

13 (1) takes into account—

14 (A) the report of the Commission entitled  
15 “Universal Postal Service and the Postal Mo-  
16 nopoly”, submitted to the President and Con-  
17 gress on December 19, 2008, in accordance  
18 with section 702 of the Postal Accountability  
19 and Enhancement Act (39 U.S.C. 501 note);  
20 and

1 (B) the changing nature of communica-  
2 tions, including the dramatic changes in e-com-  
3 merce and the global marketplace; and

4 (2) includes recommendations on better defin-  
5 ing the universal service obligation of the Postal  
6 Service to help keep the Postal Service relevant in  
7 the digital age.

8 **TITLE I—POSTAL SERVICE**  
9 **WORKFORCE**

10 **SEC. 101. POSTAL SPECIFIC ASSUMPTIONS.**

11 (a) DEFINITION.—In this section, the term “agency”  
12 has the meaning given the term “Executive agency” under  
13 section 105 of title 5, United States Code.

14 (b) USE OF POSTAL SPECIFIC ASSUMPTIONS.—The  
15 head of each agency shall ensure that the agency uses cri-  
16 teria specific to employees of the Postal Service (including  
17 demographic factors and appropriate economic assump-  
18 tions regarding wage and salary trends specific to the em-  
19 ployees) in calculating any liability of the Postal Service,  
20 including retiree health benefits, retirement annuity, and  
21 workers’ compensation liabilities.

22 (c) TRANSPARENCY.—In any report submitted to  
23 Congress, the Postal Service, or an agency relating to the  
24 valuation of assets and liabilities of funds or accounts  
25 maintained for purposes of providing health care or retire-

1 ment annuities to employees the Postal Service, the Office  
2 of Personnel Management, the Department of Labor, and  
3 any other relevant agency shall—

4 (1) identify the persons responsible for pre-  
5 paring the report;

6 (2) certify that such persons meet the profes-  
7 sional qualifications established by the governing  
8 body of the relevant profession or industry; and

9 (3) adhere to the professional standards of  
10 practice established by the governing body of the ac-  
11 tuarial industry.

12 **SEC. 102. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

13 (a) ESTABLISHMENT.—

14 (1) IN GENERAL.—Chapter 89 of title 5, United  
15 States Code, is amended by inserting after section  
16 8903b the following:

17 **“§ 8903c. Postal Service Health Benefits Program**

18 “(a) DEFINITIONS.—In this section—

19 “(1) the term ‘initial contract year’ means the  
20 contract year beginning in January of the first full  
21 year that begins not less than 7 months after the  
22 date of enactment of this section;

23 “(2) the term ‘initial participating carrier’  
24 means a carrier that enters into a contract with the

1 Office to participate in the Postal Service Health  
2 Benefits Program during the initial contract year;

3 “(3) the term ‘Medicare eligible individual’  
4 means an individual who—

5 “(A) is entitled to Medicare part A, but ex-  
6 cluding an individual who is eligible to enroll  
7 under such part under section 1818 of the So-  
8 cial Security Act (42 U.S.C. 1395i-2); and

9 “(B) is eligible to enroll in Medicare part  
10 B;

11 “(4) the term ‘Medicare part A’ means the  
12 Medicare program for hospital insurance benefits  
13 under part A of title XVIII of the Social Security  
14 Act (42 U.S.C. 1395c et seq.);

15 “(5) the term ‘Medicare part B’ means the  
16 Medicare program for supplementary medical insur-  
17 ance benefits under part B of title XVIII of the So-  
18 cial Security Act (42 U.S.C. 1395j et seq.);

19 “(6) the term ‘Medicare part D’ means the  
20 Medicare insurance program established under part  
21 D of title XVIII of the Social Security Act (42  
22 U.S.C. 1395w-101 et seq.);

23 “(7) the term ‘Office’ means the Office of Per-  
24 sonnel Management;

1           “(8) the term ‘Postal Service’ means the United  
2 States Postal Service;

3           “(9) the term ‘Postal Service annuitant’ means  
4 an annuitant enrolled in a health benefits plan under  
5 this chapter whose Government contribution is paid  
6 by the Postal Service or the Postal Service Retiree  
7 Health Benefits Fund under section 8906(g)(2);

8           “(10) the term ‘Postal Service employee’ means  
9 an employee of the Postal Service enrolled in a  
10 health benefits plan under this chapter;

11           “(11) the term ‘Postal Service Health Benefits  
12 Program’ means the program of health benefits  
13 plans established under subsection (c) within the  
14 Federal Employees Health Benefits Program under  
15 this chapter;

16           “(12) the term ‘Postal Service Medicare eligible  
17 annuitant’ means an individual who—

18                   “(A) is a Postal Service annuitant; and

19                   “(B) is a Medicare eligible individual;

20           “(13) the term ‘PSHBP plan’ means a health  
21 benefits plan offered under the Postal Service  
22 Health Benefits Program; and

23           “(14) the term ‘qualified carrier’ means a car-  
24 rier for which the total enrollment in the plans pro-  
25 vided under this chapter includes, in the contract

1 year beginning in January of the year before the ini-  
2 tial contract year, a combined total of 5,000 or more  
3 enrollees who are—

4 “(A) Postal Service employees; or

5 “(B) Postal Service annuitants.

6 “(b) APPLICATION OF SECTION.—The requirements  
7 under this section shall—

8 “(1) apply to the initial contract year, and each  
9 contract year thereafter; and

10 “(2) supersede other provisions of this chapter  
11 to the extent of any specific inconsistency, as deter-  
12 mined by the Office.

13 “(c) ESTABLISHMENT OF THE POSTAL SERVICE  
14 HEALTH BENEFITS PROGRAM.—

15 “(1) IN GENERAL.—The Office shall establish  
16 the Postal Service Health Benefits Program, which  
17 shall—

18 “(A) consist of health benefit plans offered  
19 under this chapter;

20 “(B) include plans offered by—

21 “(i) each qualified carrier; and

22 “(ii) any other carrier determined ap-  
23 propriate by the Office;

1           “(C) be available for participation by all  
2           Postal Service employees, in accordance with  
3           subsection (d);

4           “(D) be available for participation by all  
5           Postal Service annuitants, in accordance with  
6           subsection (d);

7           “(E) not be available for participation by  
8           an individual who is not a Postal Service em-  
9           ployee or Postal Service annuitant (except as a  
10          family member of such an employee or annu-  
11          itant); and

12          “(F) be implemented and administered by  
13          the Office.

14          “(2) SEPARATE POSTAL SERVICE RISK POOL.—  
15          The Office shall ensure that each PSHBP plan in-  
16          cludes rates, one for enrollment as an individual, one  
17          for enrollment for self plus one, and one for enroll-  
18          ment for self and family within each option in the  
19          PSHBP plan, that reasonably and equitably reflect  
20          the cost of benefits provided to a risk pool consisting  
21          solely of Postal Service employees and Postal Service  
22          annuitants (and family members of such employees  
23          and annuitants), taking into specific account the re-  
24          duction in benefits cost for the PSHBP plan due to  
25          the Medicare enrollment requirements under sub-

1 section (e) and any savings or subsidies resulting  
2 from subsection (f).

3 “(3) ACTUARIALLY EQUIVALENT COVERAGE.—

4 The Office shall ensure that each carrier partici-  
5 pating in the Postal Service Health Benefits Pro-  
6 gram provides coverage under the PSHBP plans of-  
7 fered by the carrier that is actuarially equivalent, as  
8 determined by the Director of the Office, to the cov-  
9 erage that the carrier provides under the health ben-  
10 efits plans offered by the carrier under the Federal  
11 Employee Health Benefits Program that are not  
12 PSHBP plans.

13 “(4) APPLICABILITY OF FEDERAL EMPLOYEE

14 HEALTH BENEFITS PROGRAM REQUIREMENTS.—Ex-  
15 cept as otherwise set forth in this section, all provi-  
16 sions of this chapter applicable to health benefit  
17 plans offered by a carrier under section 8903 or  
18 8903a shall apply to PSHBP plans.

19 “(d) ELECTION OF COVERAGE.—

20 “(1) IN GENERAL.—Except as provided in para-  
21 graphs (2) and (3), each Postal Service employee  
22 and Postal Service annuitant who elects to receive  
23 health benefits coverage under this chapter—

24 “(A) shall be subject to the requirements  
25 under this section; and

1                   “(B) may only enroll in a PSHBP plan.

2                   “(2) ANNUITANTS.—A Postal Service annuitant  
3 shall not be subject to this section if the Postal  
4 Service annuitant—

5                   “(A) is enrolled in a health benefits plan  
6 under this chapter for the contract year before  
7 the initial contract year that is not a health  
8 benefits plan offered by an initial participating  
9 carrier, unless the Postal Service annuitant vol-  
10 untarily enrolls in a PSHBP plan; or

11                   “(B) resides in a geographic area for  
12 which there is not a PSHBP plan in which the  
13 Postal Service annuitant may enroll.

14                   “(3) EMPLOYEES.—A Postal Service employee  
15 who is enrolled in a health benefits plan under this  
16 chapter for the contract year before the initial con-  
17 tract year that is not a health benefits plan offered  
18 by an initial participating carrier shall not be subject  
19 to the requirements under this section, except that—

20                   “(A) if the Postal Service employee  
21 changes enrollment to a different health bene-  
22 fits plan under this chapter after the start of  
23 the initial contract year, the Postal Service em-  
24 ployee may only enroll in a PSHBP plan; and

1           “(B) upon becoming a Postal Service an-  
2           nuitant, if the Postal Service employee elects to  
3           continue coverage under this chapter, the Post-  
4           al Service employee shall enroll in a PSHBP  
5           plan during the first open season available after  
6           the Postal Service employee becomes a Postal  
7           Service annuitant.

8           “(e) REQUIREMENT OF MEDICARE ENROLLMENT.—

9           “(1) POSTAL SERVICE MEDICARE ELIGIBLE AN-  
10          NUITANTS.—A Postal Service Medicare eligible an-  
11          nuitant subject to this section may not continue cov-  
12          erage under the Postal Service Health Benefits Pro-  
13          gram unless the Postal Service Medicare eligible an-  
14          nuitant enrolls in Medicare part A, Medicare part B,  
15          and Medicare part D (as part of a prescription drug  
16          plan described in subsection (f)).

17          “(2) MEDICARE ELIGIBLE FAMILY MEMBERS.—

18          If a family member of a Postal Service annuitant  
19          who is subject to this section is a Medicare eligible  
20          individual, the family member may not be covered  
21          under the Postal Service Health Benefits Program  
22          as a family member of the Postal Service annuitant  
23          unless the family member enrolls in Medicare part  
24          A, Medicare part B, and Medicare part D (as part

1 of a prescription drug plan described in subsection  
2 (f)).

3 “(f) MEDICARE PART D PRESCRIPTION DRUG BENE-  
4 FITS.—The Office shall require each PSHBP plan to pro-  
5 vide prescription drug benefits for Postal Service annu-  
6 itants and family members who are eligible for Medicare  
7 part D through a prescription drug plan offered under a  
8 waiver under section 1860D–22 of the Social Security Act  
9 (42 U.S.C. 1395w–132).

10 “(g) POSTAL SERVICE CONTRIBUTION.—

11 “(1) IN GENERAL.—Subject to subsection (i),  
12 for purposes of applying section 8906(b) to the  
13 Postal Service, the weighted average shall be cal-  
14 culated in accordance with paragraph (2).

15 “(2) WEIGHTED AVERAGE CALCULATION.—Not  
16 later than October 1 of each year, the Office shall  
17 determine the weighted average of the rates estab-  
18 lished pursuant to subsection (c)(2) for PSHBP  
19 plans that will be in effect during the following con-  
20 tract year with respect to—

21 “(A) enrollments for self only;

22 “(B) enrollments for self plus one; and

23 “(C) enrollments for self and family.

24 “(h) RESERVES.—

25 “(1) SEPARATE RESERVES.—

1           “(A) IN GENERAL.—The Office shall en-  
2           sure that each PSHBP plan maintains separate  
3           reserves (including a separate contingency re-  
4           serve) with respect to the enrollees in the  
5           PSHBP plan in accordance with section 8909.

6           “(B) REFERENCES.—For purposes of the  
7           Postal Service Health Benefits Program, each  
8           reference to ‘the Government’ in section 8909  
9           shall be deemed to be a reference to the Postal  
10          Service.

11          “(C) AMOUNTS TO BE CREDITED.—The re-  
12          serves (including the separate contingency re-  
13          serve) maintained by each PSHBP plan shall  
14          be credited with a proportionate amount of the  
15          funds in the existing reserves for health benefits  
16          plans offered by an initial participating carrier.

17          “(2) DISCONTINUATION OF PSHBP PLAN.—In  
18          applying section 8909(e) relating to a PSHBP plan  
19          that is discontinued, the Office shall credit the sepa-  
20          rate Postal Service contingency reserve maintained  
21          under paragraph (1) for that plan only to the sepa-  
22          rate Postal Service contingency reserves of the  
23          PSHBP plans continuing under this chapter.

24          “(i) NO EFFECT ON EXISTING LAW.—Nothing in  
25          this section shall be construed as affecting section 1005(f)

1 of title 39 regarding variations, additions, or substitutions  
2 to the provisions of this chapter.”.

3 (2) TECHNICAL AND CONFORMING AMEND-  
4 MENTS.—

5 (A) Section 8903(1) of title 5, United  
6 States Code, is amended by striking “two levels  
7 of benefits” and inserting “2 levels of benefits  
8 for enrollees under this chapter generally and 2  
9 levels of benefits for enrollees under the Postal  
10 Service Health Benefits Program established  
11 under section 8903e”.

12 (B) The table of sections for chapter 89 of  
13 title 5, United States Code, is amended by in-  
14 serting after the item relating to section 8903b  
15 the following:

“8903e. Postal Service Health Benefits Program.”.

16 (b) SPECIAL ENROLLMENT PERIOD FOR POSTAL  
17 SERVICE MEDICARE ELIGIBLE ANNUITANTS AND MEDI-  
18 CARE ELIGIBLE FAMILY MEMBERS OF POSTAL SERVICE  
19 ANNUITANTS.—

20 (1) SPECIAL ENROLLMENT PERIOD.—Section  
21 1837 of the Social Security Act (42 U.S.C. 1395p)  
22 is amended by adding at the end the following new  
23 subsection:

24 “(m)(1)(A) In the case of any individual who is sub-  
25 ject to the enrollment requirement of section 8903e(e) of

1 title 5, United States Code, who has elected not to enroll  
2 (or to be deemed enrolled) during the individual’s initial  
3 enrollment period, there shall be a special enrollment pe-  
4 riod described in subparagraph (B).

5 “(B) The special enrollment period described in this  
6 subparagraph is the 6-month period, beginning on August  
7 1 of the year before the initial contract year and ending  
8 on January 31 of the initial contract year.

9 “(2)(A) In the case of any individual who—

10 “(i) was initially not subject to the enrollment  
11 requirement of section 8903c(e) of title 5, United  
12 States Code;

13 “(ii) is eligible to enroll in a plan under chapter  
14 89 of title 5, United States Code, because of an in-  
15 voluntary loss of health care coverage;

16 “(iii) upon the involuntary loss of health care  
17 coverage, becomes subject to the enrollment require-  
18 ment of section 8903c(e) of title 5, United States  
19 Code, because of enrollment in a PSHBP plan; and

20 “(iv) has elected not to enroll (or to be deemed  
21 enrolled) during the individual’s initial enrollment  
22 period,

23 there shall be a special enrollment period described in sub-  
24 paragraph (B).

1 “(B) The special enrollment period described in this  
2 subparagraph is the period of time equivalent to the period  
3 of time in which the individual has the ability to enroll  
4 in a PSHBP plan due to the involuntary loss of health  
5 care coverage, pursuant to chapter 89 of title 5, United  
6 States Code, and its implementing regulations.

7 “(C) For purposes of this subsection, the term  
8 ‘PSHBP plan’ has the meaning under section 8903c(a)  
9 of title 5, United States Code.

10 “(3) In the case of an individual who enrolls during  
11 the special enrollment period provided under paragraphs  
12 (1) and (2), the coverage period under this part shall begin  
13 on the first day of the month in which the individual en-  
14 rolls.”.

15 (2) WAIVER OF INCREASE OF PREMIUM.—Sec-  
16 tion 1839(b) of the Social Security Act (42 U.S.C.  
17 1395r(b)) is amended by striking “(i)(4) or (l)” and  
18 inserting “(i)(4), (l), or (m)”.

19 **SEC. 103. RESTRUCTURING OF PAYMENTS FOR RETIREE**  
20 **HEALTH BENEFITS.**

21 (a) CONTRIBUTIONS.—Section 8906(g)(2) of title 5,  
22 United States Code, is amended—

23 (1) by inserting “(i)” after “(2)(A)”;

24 (2) in subparagraph (A)—

1 (A) in clause (i), as so designated, by  
2 striking “shall through September 30, 2016, be  
3 paid” and all that follows and inserting “shall  
4 be paid as provided in clause (ii).”; and

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

6 “(ii) With respect to the Government contributions  
7 required to be paid under clause (i)—

8 “(I) the portion of the contributions that is  
9 equal to the amount of the net claims costs under  
10 the enrollment of the individuals described in clause  
11 (i) shall be paid from the Postal Service Retiree  
12 Health Benefits Fund up to the amount contained  
13 in the Fund; and

14 “(II) any remaining amount shall be paid by  
15 the United States Postal Service.”; and

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

17 “(C) For purposes of this paragraph, the amount of  
18 the net claims costs under the enrollment of an individual  
19 described in subparagraph (A)(i) shall be the amount, as  
20 determined by the Office over any particular period of  
21 time, that is the difference between—

22 “(i) the sum of—

23 “(I) the costs incurred by a carrier in pro-  
24 viding health services to, paying for health serv-  
25 ices provided to, or reimbursing expenses for

1 health services provided to, the individual and  
2 any other person covered under the enrollment  
3 of the individual; and

4 “(II) an amount of indirect expenses rea-  
5 sonably allocable to the provision, payment, or  
6 reimbursement described in subclause (I), as  
7 determined by the Office; and

8 “(ii) the amount withheld from the annuity of  
9 the individual or otherwise paid by the individual  
10 under this section.”.

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

14 (1) in subsection (d)—

15 (A) in paragraph (1), by striking “required  
16 under section 8906(g)(2)(A)” and inserting  
17 “required to be paid from the Postal Service  
18 Retiree Health Benefits Fund under section  
19 8906(g)(2)(A)(ii)(I)”;

20 (B) by striking paragraph (2) and insert-  
21 ing the following:

22 “(2)(A) Not later than June 30, 2017, the Office  
23 shall compute, and by June 30 of each succeeding year,  
24 the Office shall recompute, a schedule including a series  
25 of annual installments which provide for the liquidation

1 of the amount described under subparagraph (B) (regard-  
2 less of whether the amount is a liability or surplus) by  
3 September 30, 2056, including interest at the rate used  
4 in the computations under this subsection.

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

9 “(i) 80 percent of the Postal Service actuarial  
10 liability as of September 30 of the preceding fiscal  
11 year; and

12 “(ii) the value of the assets of the Postal Serv-  
13 ice Retiree Health Benefits Fund as of September  
14 30 of the preceding fiscal year.”;

15 (C) in paragraph (3)—

16 (i) in subparagraph (A)—

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

19 (II) in clause (iv), by striking the  
20 semicolon at the end and inserting a  
21 period; and

22 (III) by striking clauses (v)  
23 through (x); and

24 (ii) in subparagraph (B)(ii)—

## 21

1 (I) by inserting “subject to para-  
2 graph (7),” before “any annual in-  
3 stallment”; and

4 (II) by striking “paragraph  
5 (2)(B)” and inserting “paragraph  
6 (2)”;

7 (D) by amending paragraph (4) to read as  
8 follows:

9 “(4) Computations under this subsection shall be  
10 based on—

11 “(A) economic and actuarial methods and as-  
12 sumptions consistent with the methods and assump-  
13 tions used in determining the Postal surplus or sup-  
14 plemental liability under section 8348(h); and

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

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

19 “(7)(A)(i) There is established in the Treasury a  
20 fund to be known as the ‘Postal Service Investment Ac-  
21 count’ (in this paragraph referred to as the ‘Account’).

22 “(ii) The Secretary of the Treasury shall invest  
23 amounts in the Account in a manner similar to how  
24 amounts in the Thrift Savings Fund are invested and in  
25 accordance with guidance from the Thrift Savings Board.

1           “(B) If the amount described under paragraph  
2 (2)(B) for a fiscal year is a liability, the United States  
3 Postal Service may, in lieu of paying an annual install-  
4 ment under paragraph (3)(B)(ii), deposit in the Account  
5 an amount equal to the amount of the annual installment.

6           “(C)(i)(I) Before September 30 of the tenth fiscal  
7 year after the fiscal year during which the United States  
8 Postal Service makes a deposit under subparagraph (B)  
9 in lieu of paying an annual installment under paragraph  
10 (3)(B)(ii), upon request by the United States Postal Serv-  
11 ice or if determined appropriate by the Secretary of the  
12 Treasury, the Secretary of the Treasury shall transfer  
13 from the amounts in the Account attributable to the earn-  
14 ings on the deposit to the Postal Service Retiree Health  
15 Benefits Fund an amount equal to the amount of such  
16 annual installment.

17           “(II) If a transfer has not been made under subclause  
18 (I) relating to a deposit under subparagraph (B) in lieu  
19 of paying an annual installment under paragraph  
20 (3)(B)(ii) before September 30 of the tenth fiscal year  
21 after the fiscal year during which the United States Postal  
22 Service makes the deposit, effective on such September 30,  
23 the Secretary of the Treasury shall transfer from the  
24 amounts in the Account attributable to the earnings on  
25 the deposit to the Postal Service Retiree Health Benefits

1 Fund an amount equal to the amount of such annual in-  
2 stallment.

3 “(ii) If, on the date a transfer is required under  
4 clause (i)(II), the amount in the Account attributable to  
5 the earnings on the applicable deposit is less than the  
6 amount required to be transferred under clause (i)(II)—

7 “(I) the Secretary of the Treasury shall trans-  
8 fer to the Postal Service Retiree Health Benefits  
9 Fund the amounts in the Account attributable to the  
10 earnings on the applicable deposit; and

11 “(II) the United States Postal Service—

12 “(aa) may request that the Secretary of  
13 the Treasury transfer to the Postal Service Re-  
14 tiree Health Benefits Fund from the amounts  
15 in the Account attributable to the applicable de-  
16 posit an amount equal to the difference between  
17 the amount transferred under subclause (I) and  
18 the amount of the applicable annual install-  
19 ment; and

20 “(bb) if the United States Postal Service  
21 does not request a transfer under item (aa),  
22 shall pay into the Postal Service Retiree Health  
23 Benefits Fund an amount equal to the dif-  
24 ference between the amount transferred under

1           subclause (I) and the amount of the applicable  
2           annual installment.

3           “(iii) After a transfer under clause (i) and a transfer  
4 or payment under clause (ii), if applicable, any remaining  
5 amounts in the Account that are attributable to the appli-  
6 cable deposit and earnings on the deposit—

7           “(I) shall be used by the United States Postal  
8 Service to repay any obligation issued under section  
9 2005(a) of title 39;

10           “(II) to the extent amounts remain after repay-  
11 ments under subclause (I), shall be transferred by  
12 the United States Postal Service to the Civil Service  
13 Retirement and Disability Fund for the purpose of  
14 reducing any supplemental liability under section  
15 8348(h); and

16           “(III) to the extent amounts remain after re-  
17 payments under subclause (I) and transfers under  
18 subclause (II), may be used by the United States  
19 Postal Service for the operation of the United States  
20 Postal Service.

21           “(8) In this subsection, the term ‘Postal Service actu-  
22 arial liability’ means the difference between—

23           “(A) the net present value of future payments  
24 required to be paid from the Postal Service Retiree  
25 Health Benefits Fund under section

1 8906(g)(2)(A)(ii)(I) for current and future United  
2 States Postal Service annuitants; and

3 “(B) the net present value as computed under  
4 paragraph (1) attributable to the future service of  
5 United States Postal Service employees.

6 “(9) For purposes of computing an amount under  
7 paragraph (1) or (8)(A), section 8906(g)(2)(A)(ii)(I) shall  
8 be applied as though ‘up to the amount contained in the  
9 Fund’ were struck.”; and

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

11 “(e) Subsections (a) through (d) of this section shall  
12 be subject to section 102 of the Improving Postal Oper-  
13 ations, Service, and Transparency Act of 2015.”.

14 (c) CANCELLATION OF CERTAIN UNPAID OBLIGA-  
15 TIONS OF THE POSTAL SERVICE.—Any obligation of the  
16 Postal Service under section 8909a(d)(3)(A) of title 5,  
17 United States Code, as in effect on the day before the date  
18 of enactment of this Act, that remains unpaid as of such  
19 date of enactment is cancelled.

20 (d) TECHNICAL AND CONFORMING AMENDMENT.—  
21 The heading of section 8909a of title 5, United States  
22 Code, is amended by striking “**Benefit**” and inserting  
23 “**Benefits**”.

1 **SEC. 104. ANNUAL FEDERAL EMPLOYEES' RETIREMENT**  
2 **SYSTEM AND CIVIL SERVICE RETIREMENT**  
3 **SYSTEM ASSESSMENTS.**

4 (a) USE OF POSTAL-SPECIFIC ASSUMPTIONS IN NOR-  
5 MAL COST CALCULATION.—

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

8 (A) in paragraph (1), by inserting “other  
9 than the United States Postal Service” after  
10 “Each employing agency”; and

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

12 “(5)(A) The United States Postal Service shall  
13 contribute to the Fund an amount equal to the prod-  
14 uct of—

15 “(i) the normal-cost percentage, as deter-  
16 mined for employees of the United States Post-  
17 al Service under subparagraph (B), multiplied  
18 by

19 “(ii) the aggregate amount of basic pay  
20 payable by the United States Postal Service, for  
21 the period involved, to employees of the United  
22 States Postal Service.

23 “(B)(i) In determining the normal-cost percent-  
24 age for employees of the United States Postal Serv-  
25 ice, the Office shall use—

1           “(I) demographic factors specific to the  
2 employees; and

3           “(II) appropriate economic assumptions,  
4 consistent with recommendations from an inde-  
5 pendent entity, regarding wage and salary  
6 trends specific to the employees.

7           “(ii) The United States Postal Service shall  
8 provide any data or projections the Office requires  
9 in order to determine the normal-cost percentage for  
10 employees of the United States Postal Service con-  
11 sistent with clause (i).

12           “(iii) Notwithstanding paragraph (2), in deter-  
13 mining the normal-cost percentage to be applied for  
14 employees of the United States Postal Service, the  
15 Office shall take into account amounts provided  
16 under section 8422.

17           “(iv) The Office shall review the determination  
18 of the normal-cost percentage for employees of the  
19 United States Postal Service and make such adjust-  
20 ments as the Office determines are necessary—

21           “(I) upon request of the United States  
22 Postal Service, but no more frequently than  
23 once each fiscal year; and

24           “(II) at any additional times, as the Office  
25 considers appropriate.”.



1                   (ii) by inserting “and the amount of  
2                   any supplemental liability computed under  
3                   paragraph (1)(B) shall be amortized in 40  
4                   equal annual installments” after “annual  
5                   installments”;

6                   (B) by redesignating paragraph (5) as  
7                   paragraph (6); and

8                   (C) by inserting after paragraph (4) the  
9                   following:

10                  “(5)(A) In this paragraph, the term ‘postal  
11                  funding surplus’ means the amount by which the  
12                  amount of supplemental liability computed under  
13                  paragraph (1)(B) is less than zero.

14                  “(B) After the date on which the Office deter-  
15                  mines under paragraph (7)(C) the amount of supple-  
16                  mental liability computed under paragraph (1)(B) as  
17                  of the close of the fiscal year ending on September  
18                  30, 2013, not later than the date on which the Post-  
19                  master General makes a request under subpara-  
20                  graph (C) of this paragraph, and if the amount de-  
21                  termined under paragraph (7)(C) is less than zero,  
22                  the Postmaster General may request that some or  
23                  all of the amount of the postal funding surplus, not  
24                  to exceed \$6,000,000,000, be returned to the United  
25                  States Postal Service, and not later than 10 days

1 after the request, the Director shall transfer to the  
2 United States Postal Service from the Fund an  
3 amount equal to the portion of the postal funding  
4 surplus requested, for use in accordance with sub-  
5 paragraph (E)(i).

6 “(C)(i) Subject to clause (ii), after the date on  
7 which the Office computes the amount of supple-  
8 mental liability under paragraph (1)(B) as of the  
9 close of the fiscal year ending on September 30,  
10 2014, and if such amount is less than zero, the  
11 Postmaster General may request that some of the  
12 amount of the postal funding surplus, not to exceed  
13  $\frac{2}{3}$  of the amount, be returned to the United States  
14 Postal Service, and not later than 10 days after the  
15 request, the Director shall transfer to the United  
16 States Postal Service from the Fund an amount  
17 equal to the portion of the postal funding surplus re-  
18 quested, for use in accordance with subparagraph  
19 (E)(ii).

20 “(ii) If any amount requested by the Post-  
21 master General under subparagraph (B) is not  
22 transferred from the Fund as of the close of the fis-  
23 cal year ending on September 30, 2014, for purposes  
24 of this subparagraph, the Office shall recompute the  
25 amount of supplemental liability computed under

1 paragraph (1)(B) as of the close of that fiscal year  
2 by subtracting from the balance of the Fund the  
3 amount requested under subparagraph (B) of this  
4 paragraph.

5 “(D) If the amount of supplemental liability  
6 computed under paragraph (1)(B) as of the close of  
7 any fiscal year commencing after September 30,  
8 2014, is less than zero, the Office shall establish an  
9 amortization schedule, including a series of equal an-  
10 nual installments that—

11 “(i) provide for the liquidation of the post-  
12 al funding surplus in 40 years, commencing on  
13 September 30 of the subsequent fiscal year; and

14 “(ii) shall be transferred to the United  
15 States Postal Service from the Fund for use in  
16 accordance with subparagraph (E)(ii).

17 “(E)(i) The United States Postal Service may  
18 use an amount transferred under subparagraph (B)  
19 only for the purpose of repaying any obligation  
20 issued under section 2005(a) of title 39.

21 “(ii) The United States Postal Service may use  
22 an amount transferred under subparagraph (C) or  
23 (D) only—

24 “(I) by directing that some or all of the  
25 amount be transferred to the Postal Service Re-



1                   and inserting “Subject to paragraph (7),  
2                   for the purpose”; and

3                   (ii) by adding at the end the fol-  
4                   lowing:

5                   “(7)(A) For the purpose of carrying out para-  
6                   graph (1)(B) with respect to the fiscal year ending  
7                   September 30, 2013, and each fiscal year thereafter,  
8                   the Office shall, consistent with subsection  
9                   (a)(5)(B), use—

10                   “(i) demographic factors specific to current  
11                   and former employees of the United States  
12                   Postal Service; and

13                   “(ii) appropriate economic assumptions, as  
14                   determined by the Office, regarding wage and  
15                   salary trends specific to current employees of  
16                   the United States Postal Service.

17                   “(B) The United States Postal Service shall  
18                   provide any data or projections the Office requires  
19                   in order to carry out paragraph (1)(B) consistent  
20                   with subparagraph (A) of this paragraph.

21                   “(C) Not later than 180 days after the later of  
22                   the date on which the Office receives the appropriate  
23                   data or projections from the United States Postal  
24                   Service under subparagraph (B) or the date of en-  
25                   actment of the Improving Postal Operations, Serv-

1 ice, and Transparency Act of 2015, the Office shall  
2 determine or redetermine whether there is a postal  
3 funding surplus (as defined in paragraph (5)) or a  
4 supplemental liability described in paragraph (1)(B)  
5 (and the amount thereof) as of the close of the fiscal  
6 year ending on September 30, 2013, in accordance  
7 with the requirements under subparagraph (A) of  
8 this paragraph.”.

9 (B) CSRS.—Section 8348(h) of title 5,  
10 United States Code, is amended—

11 (i) in paragraph (2), by striking sub-  
12 paragraph (B) and inserting the following:

13 “(B)(i)(I) Not later than the date on which the Office  
14 determines the normal-cost percentage under section  
15 104(a)(2) of the Improving Postal Operations, Service,  
16 and Transparency Act of 2015, the Office shall redeter-  
17 mine the Postal surplus or supplemental liability as of the  
18 close of the fiscal year ending on September 30, 2013,  
19 in accordance with the requirements under paragraph (4).

20 “(II) If the result of the redetermination under sub-  
21 clause (I) is a surplus, that amount shall remain in the  
22 Fund until distribution is authorized under subparagraph  
23 (C).

24 “(III) If the result of the redetermination under sub-  
25 clause (I) is a supplemental liability, the Office shall estab-

1 lish an amortization schedule, including a series of annual  
2 installments commencing on September 30, 2016, which  
3 provides for the liquidation of such liability by September  
4 30, 2055.

5 “(ii)(I) The Office shall determine the Postal surplus  
6 or supplemental liability as of the close of each fiscal year  
7 beginning after September 30, 2014, in accordance with  
8 the requirements under paragraph (4).

9 “(II) If the result of the determination under sub-  
10 clause (I) is a surplus, that amount shall remain in the  
11 Fund until distribution is authorized under subparagraph  
12 (C).

13 “(III) On and after June 15, 2016, if the result of  
14 the determination under subclause (I) is a supplemental  
15 liability, the Office shall establish an amortization sched-  
16 ule, including a series of annual installments commencing  
17 on September 30 of the subsequent fiscal year, which pro-  
18 vides for the liquidation of such liability by September 30,  
19 2055.”; and

20 (ii) by adding at the end the fol-  
21 lowing:

22 “(4)(A) For the purpose of carrying out paragraphs  
23 (1) and (2), the Office shall, consistent with section  
24 8423(a)(5)(B), use—

1           “(i) demographic factors specific to current and  
2 former employees of the United States Postal Serv-  
3 ice; and

4           “(ii) appropriate economic assumptions, as de-  
5 termined by the Office, regarding wage and salary  
6 trends specific to the employees.

7           “(B) The United States Postal Service shall provide  
8 any data or projections the Office requires in order to  
9 carry out paragraphs (1) and (2) consistent with subpara-  
10 graph (A) of this paragraph.”.

11 **SEC. 105. RIGHT OF APPEAL TO MERIT SYSTEMS PROTEC-**  
12 **TION BOARD.**

13           Section 1005(a)(4)(A)(ii)(I) of title 39, United States  
14 Code, is amended to read as follows:

15           “(I) is an officer or employee of the Postal  
16 Service who—

17           “(aa) is not represented by a bar-  
18 gaining representative recognized under  
19 section 1203; and

20           “(bb) is in a supervisory, professional,  
21 technical, clerical, administrative, or mana-  
22 gerial position covered by the Executive  
23 and Administrative Schedule; and”.

1 **SEC. 106. LABOR DISPUTES.**

2 Section 1207(c) of title 39, United States Code, is  
3 amended—

4 (1) in paragraph (2)—

5 (A) by inserting “(A)” after “(2)”;

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

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

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

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

15 “(4) Nothing in this section may be construed to limit  
16 the relevant factors that the arbitration board may take  
17 into consideration in rendering a decision under paragraph  
18 (2).”.

19 **SEC. 107. SUPERVISORY AND OTHER MANAGERIAL ORGANI-  
20 ZATIONS.**

21 Section 1004 of title 39, United States Code, is  
22 amended—

23 (1) in subsection (a), by inserting “and fringe  
24 benefits” after “differentials in rates of pay”;

25 (2) in subsection (b), in the second sentence, by  
26 inserting “as provided under subsection (d) and any

1 changes in, or termination of, pay policies and  
2 schedules and fringe benefit programs for members  
3 of the supervisors' organization as provided under  
4 subsection (e). Such pay policies and fringe benefit  
5 programs shall reflect adequate differentials in rates  
6 of pay and fringe benefits as provided under sub-  
7 section (a)” before the period; and

8 (3) in subsection (e)(1), by inserting “, or ter-  
9 mination of,” after “any changes in”.

10 **SEC. 108. ADDRESSING THE MORALE OF POSTAL SERVICE**  
11 **EMPLOYEES.**

12 (a) **APPOINTMENT OF A WORKFORCE DEVELOPMENT**  
13 **OFFICER.—**

14 (1) **IN GENERAL.—**The Postmaster General  
15 shall designate an employee of the Postal Service as  
16 the Workforce Development Officer and assign to  
17 the Workforce Development Officer primary respon-  
18 sibility for issues relating to the morale of employees  
19 of the Postal Service stationed at the headquarters  
20 of the Postal Service and employees of the Postal  
21 Service stationed in other locations.

22 (2) **DUTIES.—**The Workforce Development Of-  
23 ficer—

24 (A) shall oversee and develop national ini-  
25 tiatives, in consultation with all relevant stake-

1 holders, that address working conditions, staff-  
2 ing, communication, training, and employee mo-  
3 rale at the Postal Service; and

4 (B) may work with employees of the Postal  
5 Service throughout the United States, as need-  
6 ed, who have responsibilities relating to car-  
7 rying out the national initiatives.

8 (b) REPORT.—Not later than 1 year after the date  
9 of enactment of this Act, the Inspector General of the  
10 Postal Service, after consultation with relevant individuals  
11 and entities, shall submit to the Committee on Homeland  
12 Security and Governmental Affairs of the Senate and the  
13 Committee on Oversight and Government Reform of the  
14 House of Representatives a report examining the chal-  
15 lenges confronted by the Postal Service, including—

16 (1) decisionmaking by the management of the  
17 Postal Service;

18 (2) workforce conditions;

19 (3) the morale of employees of the Postal Serv-  
20 ice stationed at the headquarters of the Postal Serv-  
21 ice and employees of the Postal Service stationed in  
22 other locations; and

23 (4) recommendations, if any, for improvement.

24 (c) ACTION PLAN.—The Postal Service shall develop  
25 and submit to the Committee on Homeland Security and

1 Governmental Affairs of the Senate and the Committee  
2 on Oversight and Government Reform of the House of  
3 Representatives an action plan to address the rec-  
4 ommendations contained in the report of the Inspector  
5 General.

## 6 **TITLE II—POSTAL OPERATIONS**

### 7 **SEC. 201. LONG-TERM SOLVENCY PLAN; ANNUAL FINAN-** 8 **CIAL PLAN AND BUDGET.**

9 (a) DEFINITIONS.—In this section—

10 (1) the term “Board of Governors” means the  
11 Board of Governors of the Postal Service;

12 (2) the term “long-term solvency plan” means  
13 the plan required to be submitted by the Postmaster  
14 General under subsection (b)(1); and

15 (3) the term “solvency” means the ability of the  
16 Postal Service to pay debts and meet expenses, in-  
17 cluding the ability to perform maintenance and re-  
18 pairs, make investments, and maintain financial re-  
19 serves, as necessary to fulfill the requirements  
20 under, and comply with the policies of, title 39,  
21 United States Code, and other obligations of the  
22 Postal Service.

23 (b) PLAN FOR THE LONG-TERM SOLVENCY OF THE  
24 POSTAL SERVICE.—

25 (1) SOLVENCY PLAN REQUIRED.—

1 (A) IN GENERAL.—Not later than the date  
2 described in subparagraph (B), the Postmaster  
3 General shall submit to the Board of Governors  
4 a plan describing the actions the Postal Service  
5 intends to take to achieve long-term solvency.

6 (B) DATE.—The date described in this  
7 subparagraph is the later of—

8 (i) the date that is 90 days after the  
9 date of enactment of this Act; and

10 (ii) the earliest date as of which the  
11 Board of Governors has the number of  
12 members required for a quorum.

13 (2) CONSIDERATIONS.—The long-term solvency  
14 plan shall take into account—

15 (A) the legal authority of the Postal Serv-  
16 ice;

17 (B) changes in the legal authority and re-  
18 sponsibilities of the Postal Service under this  
19 Act and the amendments made by this Act;

20 (C) any cost savings that the Postal Serv-  
21 ice anticipates will be achieved through negotia-  
22 tions with employees of the Postal Service;

23 (D) projected changes in mail volume;

1           (E) the impact of any regulations that the  
2 Postal Service is required to promulgate under  
3 Federal law;

4           (F) projected changes in the number of  
5 employees needed to carry out the responsibil-  
6 ities of the Postal Service;

7           (G) the long-term capital needs of the  
8 Postal Service, including the need to maintain,  
9 repair, and replace facilities and equipment;  
10 and

11           (H) the distinctions between market-domi-  
12 nant and competitive products.

13           (3) REVIEW AND SUBMISSION TO CONGRESS  
14 AND COMMISSION.—

15           (A) REVIEW.—Upon receipt of the long-  
16 term solvency plan, the Board of Governors  
17 shall review the long-term solvency plan and  
18 may request that the Postmaster General make  
19 changes to the long-term solvency plan.

20           (B) SUBMISSION TO CONGRESS AND COM-  
21 MISSION.—Not later than 60 days after initial  
22 receipt of the long-term solvency plan, the  
23 Board of Governors shall provide a copy of the  
24 long-term solvency plan, together with a letter  
25 indicating whether and in what respects the

1 Board of Governors agrees or disagrees with  
2 the measures set out in the long-term solvency  
3 plan, to—

4 (i) the Committee on Homeland Secu-  
5 rity and Governmental Affairs of the Sen-  
6 ate;

7 (ii) the Committee on Oversight and  
8 Government Reform of the House of Rep-  
9 resentatives; and

10 (iii) the Commission.

11 (4) UPDATES.—

12 (A) ANNUAL UPDATES REQUIRED.—The  
13 Postmaster General shall update and submit to  
14 the Board of Governors the long-term solvency  
15 plan not less frequently than annually for 5  
16 years after the date of enactment of this Act.

17 (B) REVIEW BY BOARD OF GOVERNORS.—  
18 The Board of Governors shall review and sub-  
19 mit to Congress and the Commission the up-  
20 dates under this paragraph in accordance with  
21 paragraph (3).

22 (c) ANNUAL FINANCIAL PLAN AND BUDGET.—

23 (1) IN GENERAL.—For each of the first 5 full  
24 fiscal years after the date of enactment of this Act,  
25 not later than August 1 of the preceding fiscal year,

1 the Postmaster General shall submit to the Board of  
2 Governors a financial plan and budget for the fiscal  
3 year that is consistent with the goal of achieving the  
4 long-term solvency of the Postal Service.

5 (2) CONTENTS OF FINANCIAL PLAN AND BUDG-  
6 ET.—The financial plan and budget for a fiscal year  
7 shall—

8 (A) promote the financial stability of the  
9 Postal Service and provide for progress towards  
10 the long-term solvency of the Postal Service;

11 (B) include the annual budget program of  
12 the Postal Service under section 2009 of title  
13 39, United States Code, and the plan of the  
14 Postal Service commonly referred to as the “In-  
15 tegrated Financial Plan”;

16 (C) describe lump-sum expenditures by all  
17 categories traditionally used by the Postal Serv-  
18 ice;

19 (D) describe capital expenditures, together  
20 with a schedule of projected capital commit-  
21 ments and cash outlays of the Postal Service,  
22 and proposed sources of funding;

23 (E) contain estimates of overall debt (both  
24 outstanding and expected to be incurred);

1 (F) contain cash flow and liquidity fore-  
2 casts for the Postal Service at such intervals as  
3 the Board of Governors may require;

4 (G) include a statement describing meth-  
5 ods of estimations and significant assumptions;

6 (H) distinguish between market-dominant  
7 and competitive products, as practicable; and

8 (I) address any other issues that the  
9 Board of Governors considers appropriate.

10 (3) PROCESS FOR SUBMISSION AND APPROVAL  
11 OF FINANCIAL PLAN AND BUDGET.—

12 (A) DEFINITION.—In this paragraph, the  
13 term “covered recipient” means—

14 (i) the Postmaster General;

15 (ii) the President;

16 (iii) the Committee on Homeland Se-  
17 curity and Governmental Affairs of the  
18 Senate; and

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

22 (B) REVIEW BY THE BOARD OF GOV-  
23 ERNORS.—

24 (i) IN GENERAL.—Upon receipt of a  
25 financial plan and budget under paragraph

1 (1), the Board of Governors shall promptly  
2 review the financial plan and budget.

3 (ii) ADDITIONAL INFORMATION.—In  
4 conducting the review under this subpara-  
5 graph, the Board of Governors may re-  
6 quest any additional information it con-  
7 siders necessary and appropriate to carry  
8 out the duties of the Board of Governors.

9 (C) APPROVAL OF FINANCIAL PLAN AND  
10 BUDGET SUBMITTED BY THE POSTMASTER  
11 GENERAL.—If the Board of Governors deter-  
12 mines that the financial plan and budget for a  
13 fiscal year received under paragraph (1) meets  
14 the requirements under paragraph (2) and oth-  
15 erwise adequately addresses the financial situa-  
16 tion of the Postal Service—

17 (i) the Board of Governors shall ap-  
18 prove the financial plan and budget and  
19 submit a notice of approval to each covered  
20 recipient; and

21 (ii) the Postmaster General shall sub-  
22 mit the annual budget program for the rel-  
23 evant fiscal year to the Office of Manage-  
24 ment and Budget in accordance with sec-  
25 tion 2009 of title 39, United States Code.

1 (D) DISAPPROVAL OF FINANCIAL PLAN  
2 AND BUDGET SUBMITTED BY THE POSTMASTER  
3 GENERAL.—

4 (i) IN GENERAL.—If the Board of  
5 Governors determines that the financial  
6 plan and budget for a fiscal year under  
7 paragraph (1) does not meet the require-  
8 ments under paragraph (2) or is otherwise  
9 inadequate in addressing the financial situ-  
10 ation of the Postal Service, the Board of  
11 Governors shall—

12 (I) disapprove the financial plan  
13 and budget;

14 (II) submit to each covered re-  
15 cipient a statement that describes the  
16 reasons for the disapproval;

17 (III) direct the Postmaster Gen-  
18 eral to appropriately revise the finan-  
19 cial plan and budget for the Postal  
20 Service; and

21 (IV) submit the revised financial  
22 plan and budget to each covered re-  
23 cipient.

24 (ii) SUBMISSION TO OFFICE OF MAN-  
25 AGEMENT AND BUDGET.—Upon receipt of

1 a revised financial plan and budget under  
2 clause (i)(IV), the Postmaster General  
3 shall submit the annual budget program  
4 for the relevant fiscal year to the Office of  
5 Management and Budget in accordance  
6 with section 2009 of title 39, United  
7 States Code.

8 (E) DEADLINE FOR TRANSMISSION OF FI-  
9 NANCIAL PLAN AND BUDGET BY BOARD OF  
10 GOVERNORS.—Notwithstanding any other provi-  
11 sion of this paragraph, not later than Sep-  
12 tember 30 of the fiscal year that precedes each  
13 fiscal year for which a financial plan and budg-  
14 et is required under paragraph (1), the Board  
15 of Governors shall submit to each covered re-  
16 cipient—

17 (i) a notice of approval under sub-  
18 paragraph (C)(i); or

19 (ii) an approved financial plan and  
20 budget for the fiscal year under subpara-  
21 graph (D)(i)(IV).

22 (F) REVISIONS TO FINANCIAL PLAN AND  
23 BUDGET.—

24 (i) PERMITTING POSTMASTER GEN-  
25 ERAL TO SUBMIT REVISIONS.—The Post-

1 master General may submit proposed revi-  
2 sions to the financial plan and budget for  
3 a fiscal year to the Board of Governors at  
4 any time during that fiscal year.

5 (ii) PROCESS FOR REVIEW, APPROVAL,  
6 DISAPPROVAL, AND POSTMASTER GENERAL  
7 ACTION.—The procedures described in sub-  
8 paragraphs (B) through (E) shall apply  
9 with respect to a proposed revision to a fi-  
10 nancial plan and budget in the same man-  
11 ner as such procedures apply with respect  
12 to the original financial plan and budget.

13 (d) ASSUMPTIONS BASED ON CURRENT LAW.—In  
14 preparing the long-term solvency plan or an annual finan-  
15 cial plan and budget required under this section, the Post-  
16 al Service shall base estimates of revenues and expendi-  
17 tures on Federal law as in effect at the time of the prepa-  
18 ration of the long-term solvency plan or the financial plan  
19 and budget.

20 (e) THIRD-PARTY ANALYSIS OF POSTAL SERVICE FI-  
21 NANCES.—The Commission shall enter into a contract  
22 with 1 or more independent third parties under which the  
23 third party or parties, not later than 15 months after the  
24 date of enactment of this Act, shall—

25 (1) complete a study that analyzes—

- 1 (A) the finances of the Postal Service;
- 2 (B) the overall mailing industry;
- 3 (C) the demand for market-dominant and  
4 competitive products and services in rural,  
5 urban, and suburban communities; and
- 6 (D) the changes in overall revenue and  
7 cost savings of the Postal Service due to re-  
8 cent—
- 9 (i) closings and consolidations of proc-  
10 essing plants, post offices, and other facili-  
11 ties;
- 12 (ii) changes to service standards; and
- 13 (iii) service performance; and
- 14 (2) submit to the Commission a report on the  
15 study conducted under paragraph (1) that includes  
16 recommendations on affordable options and time-  
17 tables for improving postal operations and services,  
18 including—
- 19 (A) how rural service measurement can be  
20 made more accurate to ensure that the Postal  
21 Service comprehensively measures the mail  
22 service provided to each region of the United  
23 States, regardless of population size and geo-  
24 graphic location;

1 (B) the feasibility of restoring overnight  
2 service standards for market-dominant products  
3 similar to the service standards that were in ef-  
4 fect on July 1, 2012, including an examination  
5 of the resources needed, structural and oper-  
6 ational changes needed, and market demand for  
7 such a change;

8 (C) recommended definitions for the terms  
9 “urban”, “suburban”, and “rural” for purposes  
10 of measuring the performance of the Postal  
11 Service relative to service standards under sec-  
12 tion 3691 of title 39, United States Code, as  
13 amended by section 205; and

14 (D) the feasibility, including the costs and  
15 benefits, of bifurcating postal delivery into 2  
16 components, consisting of a market-dominant  
17 product delivery component and a competitive  
18 product delivery component.

19 **SEC. 202. PLANT CLOSINGS AND CONSOLIDATIONS.**

20 (a) MORATORIUM ON CLOSING OR CONSOLIDATION  
21 OF POSTAL FACILITIES.—During the 2-year period begin-  
22 ning on the date of enactment of this Act, the Postal Serv-  
23 ice may not close or consolidate any postal facility (as de-  
24 fined in section 404(f) of title 39, United States Code,  
25 as added by this section).

1 (b) CLOSING OR CONSOLIDATING CERTAIN POSTAL  
2 FACILITIES.—Section 404 of title 39, United States Code,  
3 is amended by adding at the end the following:

4 “(f) CLOSING OR CONSOLIDATION OF CERTAIN  
5 POSTAL FACILITIES.—

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

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

11 “(B) does not include—

12 “(i) any post office, station, or  
13 branch; or

14 “(ii) any facility used only for admin-  
15 istrative functions.

16 “(2) AREA MAIL PROCESSING STUDY.—

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

23 “(i) conduct an area mail processing  
24 study relating to that postal facility that  
25 includes—

1                   “(I) a plan to reduce the capacity  
2                   of the postal facility, but not close the  
3                   postal facility; and

4                   “(II) consideration of the effect  
5                   of the closing or consolidation of the  
6                   postal facility on the ability of individ-  
7                   uals served by the postal facility to  
8                   vote by mail and the ability of the  
9                   Postal Service to timely deliver ballots  
10                  by mail in accordance with the dead-  
11                  line to return ballots established  
12                  under applicable State law;

13                  “(ii) publish the study on the Postal  
14                  Service website; and

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

18                  “(B) COMPLETED OR ONGOING AREA MAIL  
19                  PROCESSING STUDIES.—

20                  “(i) IN GENERAL.—In the case of a  
21                  postal facility described in clause (ii), the  
22                  Postal Service shall—

23                  “(I) consider a plan to reduce the  
24                  capacity of the postal facility without  
25                  closing the postal facility;

1                   “(II) consider the effect of the  
2 closing or consolidation of the postal  
3 facility on the ability of individuals  
4 served by the postal facility to vote by  
5 mail and the ability of the Postal  
6 Service to timely deliver ballots by  
7 mail in accordance with the deadline  
8 to return ballots established under ap-  
9 plicable State law; and

10                   “(III) publish the results of the  
11 consideration under subclause (I) with  
12 or as an amendment to the area mail  
13 processing study relating to the postal  
14 facility.

15                   “(ii) POSTAL FACILITIES.—A postal  
16 facility described in this clause is a postal  
17 facility for which, on or before the date of  
18 enactment of this subsection—

19                   “(I) an area mail processing  
20 study that does not include a plan to  
21 reduce the capacity of the postal facil-  
22 ity without closing the postal facility  
23 or consideration of the effect of the  
24 closing or consolidation of the postal  
25 facility on the ability of individuals

1 served by the postal facility to vote by  
2 mail and the ability of the Postal  
3 Service to timely deliver ballots by  
4 mail in accordance with the deadline  
5 to return ballots established under ap-  
6 plicable State law has been completed;

7 “(II) an area mail processing  
8 study is in progress; or

9 “(III) a determination as to the  
10 necessity for the closing or consolida-  
11 tion of the postal facility has not been  
12 made.

13 “(3) NOTICE, PUBLIC COMMENT, AND PUBLIC  
14 HEARING.—If the Postal Service makes a determina-  
15 tion under subsection (a)(3) to close or consolidate  
16 a postal facility, the Postal Service shall—

17 “(A) provide notice of the determination  
18 to—

19 “(i) Congress; and

20 “(ii) the Postal Regulatory Commis-  
21 sion;

22 “(B) provide adequate public notice of the  
23 intention of the Postal Service to close or con-  
24 solidate the postal facility;

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

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

8                   “(i) publication on the Postal Service  
9                   website;

10                   “(ii) prominent posting at the affected  
11                   postal facility; and

12                   “(iii) advertising the date and location  
13                   of the public community meeting under  
14                   subparagraph (E); and

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

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

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

3           “(B) the effect of the closing or consolida-  
4           tion on the affected community, including any  
5           disproportionate impact the closing or consoli-  
6           dation may have on a State, region, or locality;

7           “(C) the effect of the closing or consolida-  
8           tion on the travel times and distances for af-  
9           fected customers to access services under the  
10          proposed closing or consolidation;

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

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

19          “(F) the effect of the closing or consolida-  
20          tion on small businesses in the area, including  
21          shipping and communications with customers  
22          and suppliers and the corresponding impact on  
23          revenues, operations, and growth; and

24          “(G) any other factor the Postal Service  
25          determines is necessary.

1           “(5) NOTICE OF FINAL DETERMINATION; JUS-  
2           TIFICATION STATEMENT.—Before the date on which  
3           the Postal Service closes or consolidates a postal fa-  
4           cility, the Postal Service shall post on the Postal  
5           Service website—

6                   “(A) notice of the final determination to  
7                   close or consolidate the postal facility; and

8                   “(B) a closing or consolidation justification  
9                   statement that includes—

10                           “(i) a response to all public comments  
11                           received with respect to the considerations  
12                           described under paragraph (4);

13                           “(ii) a description of the consider-  
14                           ations made by the Postal Service under  
15                           paragraph (4); and

16                           “(iii) the actions that will be taken by  
17                           the Postal Service to mitigate any negative  
18                           effects identified under paragraph (4).

19           “(6) CLOSING OR CONSOLIDATION OF POSTAL  
20           FACILITIES.—

21                   “(A) IN GENERAL.—Not earlier than 15  
22                   days after the date on which the Postal Service  
23                   posts notice of the final determination and the  
24                   justification statement under paragraph (5)  
25                   with respect to a postal facility, the Postal

1 Service may close or consolidate the postal facil-  
2 ity.

3 “(B) ALTERNATIVE INTAKE OF MAIL.—If  
4 the Postal Service closes or consolidates a post-  
5 al facility under subparagraph (A), the Postal  
6 Service shall make reasonable efforts to ensure  
7 continued mail receipt from customers of the  
8 closed or consolidated postal facility at the  
9 same location or at another appropriate location  
10 in close geographic proximity to the closed or  
11 consolidated postal facility.

12 “(7) POSTAL REGULATORY COMMISSION AP-  
13 PEALS.—

14 “(A) RIGHT TO APPEAL.—A determination  
15 of the Postal Service to close or consolidate any  
16 postal facility may be appealed by any person  
17 served by the postal facility to the Postal Regu-  
18 latory Commission not later than 15 days after  
19 the date on which the determination is posted  
20 on the Postal Service website under paragraph  
21 (5).

22 “(B) REVIEW BASED ON RECORD.—The  
23 Commission shall review a determination ap-  
24 pealed under this paragraph on the basis of the

1 record before the Postal Service in the making  
2 of the determination.

3 “(C) DEADLINE FOR COMMISSION DETER-  
4 MINATION.—The Commission shall make a de-  
5 termination based upon a review conducted  
6 under subparagraph (B) not later than 90 days  
7 after the date on which the Commission receives  
8 the appeal of the determination under subpara-  
9 graph (A).

10 “(D) BASES FOR SETTING ASIDE POSTAL  
11 SERVICE DETERMINATIONS.—In making a de-  
12 termination under subparagraph (C), the Com-  
13 mission shall set aside any determination, find-  
14 ing, or conclusion of the Postal Service that the  
15 Commission determines—

16 “(i) is arbitrary, capricious, an abuse  
17 of discretion, or otherwise not in accord-  
18 ance with the law;

19 “(ii) is without observance of the pro-  
20 cedures required under this subsection or  
21 any other applicable law; or

22 “(iii) is unsupported by substantial  
23 evidence on the record.

24 “(E) OPTION TO AFFIRM OR REMAND.—  
25 The Commission—

1                   “(i) may affirm a determination of the  
2                   Postal Service appealed under this para-  
3                   graph or order that the entire matter be  
4                   returned for further consideration; and

5                   “(ii) may not modify the determina-  
6                   tion of the Postal Service.

7                   “(F) TEMPORARY SUSPENSION.—The  
8                   Commission may suspend the effectiveness of a  
9                   determination of the Postal Service appealed  
10                  under this paragraph until the final disposition  
11                  of the appeal.

12                  “(G) APPLICABILITY OF OTHER LAWS.—  
13                  The provisions of section 556, section 557, and  
14                  chapter 7 of title 5 shall not apply to any re-  
15                  view carried out by the Commission under this  
16                  paragraph.

17                  “(H) DATE OF RECEIPT OF APPEAL.—For  
18                  purposes of subparagraph (A), any appeal re-  
19                  ceived by the Commission shall—

20                  “(i) if sent to the Commission  
21                  through the mails, be considered to have  
22                  been received on the date of the Postal  
23                  Service postmark on the envelope or other  
24                  cover in which the appeal is mailed; or

1                   “(ii) if otherwise lawfully delivered to  
2                   the Commission, be considered to have  
3                   been received on the date determined based  
4                   on any appropriate documentation or other  
5                   indicia (as determined under regulations of  
6                   the Commission).

7                   “(8) POSTAL SERVICE WEBSITE.—For purposes  
8                   of any notice required to be published on the Postal  
9                   Service website under this subsection, the Postal  
10                  Service shall ensure that the Postal Service  
11                  website—

12                   “(A) is updated routinely; and

13                   “(B) provides any person, at the option of  
14                   the person, the opportunity to receive relevant  
15                   updates by electronic mail.

16                   “(9) PROTECTION OF CERTAIN INFORMA-  
17                  TION.—Nothing in this subsection may be construed  
18                  to require the Postal Service to disclose—

19                   “(A) any proprietary data, including any  
20                   reference or citation to proprietary data; or

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

1 **SEC. 203. POST OFFICE CLOSINGS, CONSOLIDATIONS, AND**  
2 **RESTRUCTURING.**

3 (a) MORATORIUM ON CLOSING, CONSOLIDATING, RE-  
4 DUCING HOURS OF, OR RECLASSIFYING DOWNWARD CER-  
5 TAIN POST OFFICES.—During the 5-year period begin-  
6 ning on the date of enactment of this Act, the Postal Serv-  
7 ice may not—

8 (1) close or consolidate any post office; or

9 (2) reduce the hours of operation of or reclass-  
10 sify downward any post office that, as of the date  
11 of enactment of this Act, was classified at or below  
12 level 18.

13 (b) REQUIRED PROCEDURES.—Section 404(d) of  
14 title 39, United States Code, is amended—

15 (1) by striking “(6) For purposes of paragraph  
16 (5)” and inserting the following:

17 “(7) DATE OF RECEIPT OF APPEALS.—For pur-  
18 poses of paragraph (6)”;

19 (2) by striking “(5) A determination” and in-  
20 sserting the following:

21 “(6) APPEALS.—A determination”;

22 (3) by striking “(d)(1) The Postal Service” and  
23 all that follows through the end of paragraph (4)  
24 and inserting the following:

25 “(d) DISCONTINUANCE OF POST OFFICES.—

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

1           “(A) the term ‘discontinuance’ has the  
2 meaning given the term in section 241.3 of title  
3 39, Code of Federal Regulations, as in effect on  
4 November 1, 2013;

5           “(B) the term ‘local government’ means—

6                   “(i) a county, municipality, city, town,  
7 township, local public authority, special  
8 district, intrastate district, council of gov-  
9 ernment, or regional or interstate govern-  
10 ment entity;

11                   “(ii) an agency or instrumentality of  
12 an entity described in clause (i); or

13                   “(iii) a rural community, an unincor-  
14 porated town or village, or an instrumen-  
15 tality of a rural community or an unincor-  
16 porated town or village; and

17           “(C) the term ‘post office’ means a post  
18 office, post office branch, post office classified  
19 station, or other facility that is operated by the  
20 Postal Service, the primary function of which is  
21 to provide retail postal services.

22           “(2) PRELIMINARY CONSIDERATIONS.—The  
23 Postal Service, prior to making a determination  
24 under subsection (a)(3) of this section as to the ne-

1       cessity for the discontinuance of any post office,  
2       shall—

3               “(A) consider whether—

4                       “(i) to discontinue the post office and  
5                       combine it with another post office located  
6                       within a reasonable distance;

7                       “(ii) instead of discontinuing the post  
8                       office—

9                               “(I) to reduce the number of  
10                              hours a day that the post office oper-  
11                              ates; or

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

15                            “(iii) to procure a contract providing  
16                            full, or less than full, retail postal services  
17                            in the community served by the post office;  
18                            or

19                            “(iv) to provide postal services to the  
20                            community served by the post office—

21                             “(I) through a letter carrier uti-  
22                             lizing mobile technologies, as feasible;

23                             “(II) by collocating postal services  
24                             at a commercial or government entity;

25                             or

1                   “(III) by implementing an alter-  
2                   native proposal made by a local gov-  
3                   ernment under subparagraph (B)(iii);

4                   “(B) provide—

5                   “(i) relevant information on financial  
6                   costs associated with the operations of the  
7                   post office to postal customers and local  
8                   governments served by the post office;

9                   “(ii) postal customers served by the  
10                  post office an opportunity to present their  
11                  views, which may be by nonbinding survey  
12                  conducted by mail; and

13                  “(iii) local governments served by the  
14                  post office an opportunity to present alter-  
15                  native proposals for providing postal serv-  
16                  ices to the community, including the fur-  
17                  nishing of property or services to the Post-  
18                  al Service to maintain the same level of  
19                  postal services in the community; and

20                  “(C) if the Postal Service determines to  
21                  discontinue the post office, provide adequate  
22                  public notice of its intention to discontinue the  
23                  post office at least 60 days prior to the pro-  
24                  posed date of the discontinuance to persons and  
25                  local governments served by the post office.

1           “(3) CONSIDERATIONS.—The Postal Service, in  
2 making a determination whether or not to dis-  
3 continue a post office—

4           “(A) shall consider—

5           “(i) the effect of the discontinuance  
6 on the community served by the post of-  
7 fice;

8           “(ii) the effect of the discontinuance  
9 on businesses, including small businesses,  
10 in the area;

11           “(iii) the effect of the discontinuance  
12 on employees of the Postal Service em-  
13 ployed at the post office;

14           “(iv) whether the discontinuance  
15 would have a significant adverse effect on  
16 regular postal services to rural areas, com-  
17 munities, and small towns where post of-  
18 fices are not self-sustaining;

19           “(v) the extent to which the commu-  
20 nity served by the post office lacks access  
21 to Internet, broadband, or cellular tele-  
22 phone service;

23           “(vi) the extent to which postal cus-  
24 tomers served by the post office would con-  
25 tinue after the discontinuance to receive

1 substantially similar access to essential  
2 items, such as prescription drugs and time-  
3 sensitive communications;

4 “(vii) the proximity and accessibility  
5 of other post offices;

6 “(viii) whether substantial economic  
7 savings to the Postal Service would result  
8 from the discontinuance; and

9 “(ix) any other factors that the Postal  
10 Service determines are necessary;

11 “(B) may not consider compliance with  
12 any provision of the Occupational Safety and  
13 Health Act of 1970 (29 U.S.C. 651 et seq.);  
14 and

15 “(C) may not make a determination to dis-  
16 continue a post office unless the Postal Serv-  
17 ice—

18 “(i)(I) determines that postal cus-  
19 tomers served by the post office would con-  
20 tinue after the discontinuance to receive  
21 substantially similar access to essential  
22 items, such as prescription medications  
23 and time-sensitive communications, that  
24 are sent through the mails; or

1                   “(II) takes action to substantially  
2 ameliorate any projected reduction in ac-  
3 cess to essential items described in clause  
4 (i); and

5                   “(ii) determines that—

6                                 “(I) there is unlikely to be sub-  
7 stantial economic loss to the commu-  
8 nity served by the post office as a re-  
9 sult of the discontinuance; and

10                               “(II) the area served by the post  
11 office has adequate access to  
12 broadband Internet service, as identi-  
13 fied on the National Broadband Map  
14 of the National Telecommunications  
15 and Information Administration.

16                   “(4) WRITTEN DETERMINATION AND FIND-  
17 INGS.—

18                                 “(A) IN GENERAL.—Any determination of  
19 the Postal Service to discontinue a post office  
20 shall—

21                                 “(i) be in writing; and

22                                 “(ii) include the findings of the Postal  
23 Service with respect to the considerations  
24 required to be made under paragraph (3).

1           “(B) AVAILABILITY OF FINDINGS.—The  
2           Postal Service shall make available, to persons  
3           served by a post office that the Postal Service  
4           determines to discontinue, any determination  
5           and findings under subparagraph (A) with re-  
6           spect to that post office.

7           “(C) NOTICE BEFORE DISCONTINUANCE.—  
8           The Postal Service may not take any action to  
9           discontinue a post office until 60 days after the  
10          date on which the Postal Service makes avail-  
11          able, to persons served by the post office, the  
12          written determination and findings with respect  
13          to the post office as required under subpara-  
14          graph (B).

15          “(5) REDUCTIONS IN HOURS OF OPERATION.—

16                 “(A) CONSIDERATIONS.—The Postal Serv-  
17                 ice, prior to making a determination under  
18                 paragraph (2)(A)(ii)(I) to reduce the number of  
19                 hours per day that a post office operates, shall  
20                 consider—

21                         “(i) the impact of the proposed reduc-  
22                         tion in hours on local businesses;

23                         “(ii) the effect of the proposed reduc-  
24                         tion in hours on the community served by  
25                         the post office;

1                   “(iii) the ability of the Postal Service  
2                   to hire qualified employees to operate the  
3                   post office during the reduced hours;

4                   “(iv) the proximity and accessibility of  
5                   other post offices within 15 miles of the  
6                   post office, and the hours those post offices  
7                   are open;

8                   “(v) the impact of the proposed reduc-  
9                   tion in hours on the elderly and other vul-  
10                  nerable populations; and

11                  “(vi) the impact of alternative sched-  
12                  ules on the community served by the post  
13                  office, including consideration of which  
14                  schedules would most effectively mitigate  
15                  any negative impacts identified under  
16                  clauses (i) through (v).

17                  “(B) FINDINGS.—If the Postal Service de-  
18                  termines, after considering the factors under  
19                  subparagraph (A), to reduce the number of  
20                  hours per day that a post office operates, the  
21                  Postal Service shall make available to persons  
22                  served by the post office—

23                  “(i) a summary of the findings of the  
24                  Postal Service under subparagraph (A);

1                   “(ii) the hours during which the post  
2                   office will be open; and

3                   “(iii) an explanation of the change in  
4                   hours referred to in clause (ii).”;

5                   (4) in paragraph (6), as so designated—

6                   (A) by striking “close or consolidate” and  
7                   inserting “discontinue”;

8                   (B) by striking “under paragraph (3)” and  
9                   inserting “under paragraph (4)”;

10                  (C) by moving subparagraphs (A), (B),  
11                  and (C) 2 ems to the right; and

12                  (D) by moving the flush text following sub-  
13                  paragraph (C) 2 ems to the right;

14                  (5) in paragraph (7), as so designated, by mov-  
15                  ing subparagraphs (A) and (B) 2 ems to the right;  
16                  and

17                  (6) by adding at the end the following:

18                  “(8) MINIMUM RETAIL STANDARDS.—The Post-  
19                  al Service shall establish minimum standards for re-  
20                  tail postal services.”.

21                  (c) REPORT ON POST OFFICE DISCONTINUANCES.—

22                  (1) DEFINITION.—In this subsection, the term  
23                  “moratorium” means the 5-year period described in  
24                  subsection (a).

1           (2) REPORT REQUIRED.—Not later than 6  
2 years after the expiration of the moratorium, the In-  
3 spector General of the Postal Service shall submit to  
4 each recipient described in paragraph (3) a consoli-  
5 dated report that describes, for each post office that  
6 was discontinued under section 404 of title 39,  
7 United States Code, (as amended by subsection (b))  
8 during the 5-year period beginning on the day after  
9 the expiration of the moratorium—

10                   (A) the actual cost savings resulting from  
11 the discontinuance; and

12                   (B) a comparison between the findings de-  
13 scribed in subparagraph (A) and the cost sav-  
14 ings that the Postal Service predicted would re-  
15 sult from the discontinuance.

16           (3) RECIPIENTS.—The recipients described in  
17 this paragraph are—

18                   (A) the Postal Regulatory Commission;

19                   (B) the Board of Governors;

20                   (C) the Committee on Homeland Security  
21 and Governmental Affairs of the Senate;

22                   (D) the Committee on Oversight and Gov-  
23 ernment Reform of the House of Representa-  
24 tives;

1 (E) the Member of the House of Rep-  
2 resentatives in whose district the post office was  
3 located; and

4 (F) the Senators in whose State the post  
5 office was located.

6 **SEC. 204. AREA AND DISTRICT OFFICE STRUCTURE.**

7 (a) DEFINITIONS.—In this section—

8 (1) the term “area office” means the central of-  
9 fice of an administrative field unit with responsibility  
10 for postal operations in a designated geographic area  
11 that is comprised of district offices;

12 (2) the term “district office” means the central  
13 office of an administrative field unit with responsi-  
14 bility for postal operations in a designated geo-  
15 graphic area (as defined under regulations, direc-  
16 tives, or other guidance of the Postal Service, as in  
17 effect on January 1, 2013); and

18 (3) the term “State” includes the District of  
19 Columbia, the Commonwealth of Puerto Rico, the  
20 United States Virgin Islands, Guam, American  
21 Samoa, the Commonwealth of the Northern Mariana  
22 Islands, and any other territory or possession of the  
23 United States.

24 (b) PLAN REQUIRED.—Not later than 1 year after  
25 the date of enactment of this Act, the Postal Service shall

1 submit to the Committee on Homeland Security and Gov-  
2 ernmental Affairs of the Senate and the Committee on  
3 Oversight and Government Reform of the House of Rep-  
4 resentatives a comprehensive strategic plan for an area of-  
5 fice and district office structure that will—

6 (1) be efficient and cost effective;

7 (2) not substantially and adversely affect the  
8 operations of the Postal Service; and

9 (3) reduce the total number of area and district  
10 offices.

11 (c) IMPLEMENTATION.—Not later than 60 days after  
12 the date on which the Postal Service submits the plan  
13 under subsection (b), the Postal Service shall begin imple-  
14 menting the plan, including, where appropriate, by consoli-  
15 dating area and district offices.

16 (d) STATE LIAISON.—If the Postal Service does not  
17 maintain a district office in a State, the Postal Service  
18 shall designate at least 1 employee of the district office  
19 responsible for Postal Service operations in the State to  
20 represent the needs of Postal Service customers in the  
21 State. An employee designated under this subsection to  
22 represent the needs of Postal Service customers in a State  
23 shall be located in that State.

1 **SEC. 205. SERVICE STANDARDS AND PERFORMANCE RAT-**  
2 **INGS.**

3 (a) SERVICE STANDARDS AND PERFORMANCE RAT-  
4 INGS.—

5 (1) IN GENERAL.—Section 3691 of title 39,  
6 United States Code, is amended to read as follows:

7 **“§ 3691. Modern service standards and performance**  
8 **ratings**

9 “(a) DEFINITIONS.—In this section—

10 “(1) the term ‘Commission’ means the Postal  
11 Regulatory Commission;

12 “(2) the term ‘national service standards’  
13 means the service standards established by the Com-  
14 mission under subsection (b);

15 “(3) the term ‘performance targets’ means the  
16 targets established by the Commission under sub-  
17 section (e)(1)(A); and

18 “(4) the terms ‘urban’, ‘suburban’, and ‘rural’  
19 have the meanings given those terms under regula-  
20 tions promulgated by the Commission under sub-  
21 section (e)(1)(B).

22 “(b) AUTHORITY GENERALLY.—

23 “(1) ESTABLISHMENT; REVISION.—The Postal  
24 Service, in consultation with the Commission as pro-  
25 vided under paragraph (2), shall by regulation estab-  
26 lish and regularly revise a uniform set of national

1 service standards for market-dominant products  
2 based on—

3 “(A) the finances of the Postal Service;

4 “(B) the ability of the Postal Service to  
5 meet the national service standards; and

6 “(C) the ability of Postal Service cus-  
7 tomers to receive fair and reliable service.

8 “(2) PRC ADVISORY OPINION.—

9 “(A) REQUEST FOR ADVISORY OPINION.—

10 If the Postal Service determines that there  
11 should be a change in the national service  
12 standards, the Postal Service shall submit a  
13 proposal to the Commission requesting an advi-  
14 sory opinion on the change in accordance with  
15 subparagraph (B)

16 “(B) APPLICABILITY OF SECTION 3661.—

17 Section 3661 shall apply to a request for an ad-  
18 visory opinion under subparagraph (A) of this  
19 paragraph, except that the Postal Service may  
20 not implement a proposed national service  
21 standard earlier than the date that is 60 days  
22 after the date on which the Postal Service sub-  
23 mits to the President and Congress the re-  
24 sponse to the advisory opinion of the Commis-

1           sion on the proposal required under section  
2           3661(b)(3).

3           “(c) OBJECTIVES.—The national service standards  
4 shall be designed to achieve the following objectives:

5           “(1) To ensure that the Postal Service meets  
6 the universal service obligation, including the obliga-  
7 tion to preserve regular and effective access to postal  
8 services in all communities, including those in rural  
9 areas or where post offices are not self-sustaining.

10           “(2) To enhance the value of postal services to  
11 both senders and recipients.

12           “(3) To reasonably assure Postal Service cus-  
13 tomers delivery reliability, speed and frequency con-  
14 sistent with reasonable rates and best business prac-  
15 tices.

16           “(4) To provide a system of objective perform-  
17 ance measurements for each market-dominant prod-  
18 uct as a basis for measurement of Postal Service  
19 performance, in accordance with subsection (e).

20           “(5) To ensure that performance is as strong as  
21 possible under the applicable national service stand-  
22 ard.

23           “(d) FACTORS.—In establishing or revising the na-  
24 tional service standards, the Postal Service shall take into  
25 account—

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

5           “(2) the degree of customer satisfaction with  
6           Postal Service performance in the acceptance, proc-  
7           essing, and delivery of mail;

8           “(3) the needs of Postal Service customers, in-  
9           cluding those with physical impairments;

10           “(4) mail volume and revenues projected for fu-  
11           ture years;

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

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

17           “(7) the effect of changes in technology, demo-  
18           graphics, and population distribution on the efficient  
19           and reliable operation of the postal delivery system;  
20           and

21           “(8) the policies of this title and such other fac-  
22           tors as the Postal Service determines appropriate.

23           “(e) PERFORMANCE TARGETS, RATINGS, AND PUBLI-  
24           CATION.—

25           “(1) PERFORMANCE TARGETS.—



1 Government, and other sources;

2 and

3 “(II) incorporate stakeholder

4 input; and

5 “(iii) shall categorize each 3-digit zip

6 code area as an urban, suburban, or rural

7 community.

8 “(2) PERFORMANCE RATINGS.—The Commis-  
9 sion shall rate the performance of the Postal Service  
10 with respect to—

11 “(A) each 3-digit zip code area, postal dis-  
12 trict, and operational area;

13 “(B) all postal districts—

14 “(i) by urban, suburban, or rural cat-  
15 egory; and

16 “(ii) nationwide;

17 “(C) all operational areas—

18 “(i) by urban, suburban, or rural cat-  
19 egory; and

20 “(ii) nationwide;

21 “(D) market-dominant products nation-  
22 wide; and

23 “(E) first-class mail nationwide.

24 “(3) PUBLICATION.—

1           “(A) IN GENERAL.—Subject to subpara-  
2 graph (B), the Postal Service shall publish on  
3 the website of the Postal Service the ratings re-  
4 corded under paragraph (2)—

5                   “(i) covering a period of not less than  
6                   24 months; and

7                   “(ii) categorized in accordance with  
8                   that paragraph.

9           “(B) COMMERCIALY SENSITIVE OR PRO-  
10           PRIETARY INFORMATION.—To the extent that  
11           the Postal Service considers any information re-  
12           quired to be reported under subparagraph (A)  
13           to be commercially sensitive or proprietary in  
14           nature, the Commission shall determine the  
15           level of information that shall be publicly dis-  
16           closed.

17           “(f) REVIEW UPON COMPLAINT.—The regulations  
18           promulgated pursuant to this section (and any revisions  
19           thereto), and any violations thereof, shall be subject to re-  
20           view upon complaint under sections 3662 and 3663.

21           “(g) NONCOMPLIANCE WITH PERFORMANCE TAR-  
22           GETS.—

23                   “(1) IN GENERAL.—If the Postal Service fails  
24           to meet the performance targets, the Commission  
25           shall require the Postal Service to develop a plan to

1       make specific operational corrections under the con-  
2       trol of the Postal Service that will cause the per-  
3       formance targets to be met within 1 year of the date  
4       of noncompliance.

5               “(2) POSTAL SERVICE SUBMISSION OF PLAN.—  
6       Not later than 180 days after the date of noncompli-  
7       ance, the Postal Service shall submit the plan re-  
8       quired under paragraph (1) to the Commission.

9               “(3) COMMISSION CONSIDERATION OF POSTAL  
10       SERVICE PLAN.—

11               “(A) IN GENERAL.—The Commission shall  
12       determine whether the plan submitted by the  
13       Postal Service under paragraph (2) is sufficient  
14       to improve performance to meet the perform-  
15       ance targets.

16               “(B) REMAND.—If the Commission deter-  
17       mines under subparagraph (A) that the Postal  
18       Service plan is not sufficient, the Commission  
19       may remand the plan to the Postal Service for  
20       revision.

21               “(C) REVISION.—If the Commission re-  
22       mands a plan to the Postal Service under sub-  
23       paragraph (B), the Postal Service shall have 30  
24       days to revise and resubmit the plan to the  
25       Commission.

1           “(4) POSTAL SERVICE IMPLEMENTATION OF  
2           PLAN.—Not later than 180 days after the date on  
3           which the Commission approves a plan of the Postal  
4           Service under paragraph (3), the Postal Service shall  
5           fully implement the plan.

6           “(h) PERIODIC REVIEW OF SERVICE STANDARDS.—  
7           The Commission shall periodically—

8                   “(1) review the appropriateness of the national  
9                   service standards; and

10                   “(2) submit to Congress a report on the review  
11                   conducted under paragraph (1).”.

12           (2) TECHNICAL AND CONFORMING AMEND-  
13           MENT.—The table of sections for subchapter VII of  
14           chapter 36 of title 39, United States Code, is  
15           amended by striking the item relating to section  
16           3691 and inserting the following:

          “3691. Modern service standards and performance ratings.”.

17           (b) REPORT TO CONGRESS.—Not later than 180 days  
18           after the date on which the report is submitted to the  
19           Commission under section 201(e)(2), the Commission  
20           shall submit to Congress an extensive report that in-  
21           cludes—

22                   (1) a determination as to whether the service  
23                   standards for market-dominant products in effect on  
24                   the day before the date of enactment of this Act  
25                   achieve the objectives and factors set forth under

1 section 3691 of title 39, United States Code, as  
2 amended by this section; and

3 (2) recommendations as to how delivery service  
4 to postal customers could be improved based on the  
5 financial condition of the Postal Service.

6 (c) TEMPORARY FLOOR FOR SERVICE STANDARDS.—

7 (1) IN GENERAL.—Subject to paragraph (2),  
8 during the 5-year period beginning on the date of  
9 enactment of this Act, the Postal Service may not  
10 revise the service standards for market-dominant  
11 products in a manner that lengthens delivery times.

12 (2) AUTHORITY OF COMMISSION TO EXTEND  
13 TEMPORARY FLOOR.—The Commission may extend  
14 the 5-year period described in paragraph (1) by any  
15 length of time that the Commission determines ap-  
16 propriate if, as of the last day of that period, the  
17 Commission determines that the Postal Service is  
18 not meeting the performance targets established  
19 under subsection (e) of section 3691 of title 39,  
20 United States Code, as added by this section.

21 **SEC. 206. CONVERSION OF DOOR DELIVERY POINTS.**

22 (a) VOLUNTARY NATURE OF DELIVERY CONVER-  
23 SION.—Nothing in section 3692 of title 39, United States  
24 Code, as added by subsection (b), shall be construed to  
25 authorize the Postal Service to convert the primary mode

1 of mail delivery of a postal customer without the consent  
2 of the postal customer.

3 (b) AMENDMENT TO TITLE 39, UNITED STATES  
4 CODE.—

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

8 **“§ 3692. Delivery point modernization**

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

11 “(1) CENTRALIZED DELIVERY.—The term ‘cen-  
12 tralized delivery’ means a primary mode of mail de-  
13 livery whereby mail is delivered to a group or cluster  
14 of mail receptacles at a single location.

15 “(2) CURBSIDE DELIVERY.—The term ‘curbside  
16 delivery’ means a primary mode of mail delivery  
17 whereby mail is delivered to a mail receptacle that  
18 is situated at the edge of a public sidewalk abutting  
19 a road or curb, at a road, or at a curb.

20 “(3) DELIVERY POINT.—The term ‘delivery  
21 point’ means a mailbox or other receptacle to which  
22 mail is delivered.

23 “(4) DISTRICT OFFICE.—The term ‘district of-  
24 fice’ means the central office of an administrative  
25 field unit with responsibility for postal operations in

1 a designated geographic area (as defined under reg-  
2 ulations, directives, or other guidance of the Postal  
3 Service).

4 “(5) DOOR DELIVERY.—The term ‘door deliv-  
5 ery’—

6 “(A) means a primary mode of mail deliv-  
7 ery whereby mail is—

8 “(i) delivered to a mail receptacle at  
9 or near a postal customer’s door; or

10 “(ii) hand-delivered to a postal cus-  
11 tomer; and

12 “(B) does not include curbside or central-  
13 ized delivery.

14 “(6) PRIMARY MODE OF MAIL DELIVERY.—The  
15 term ‘primary mode of mail delivery’ means the typ-  
16 ical method by which the Postal Service delivers mail  
17 to the delivery point of a postal customer.

18 “(b) POLICY.—Except as otherwise provided in this  
19 section, including paragraphs (4) and (5) of subsection  
20 (c), it shall be the policy of the Postal Service to use the  
21 primary mode of mail delivery that is most cost effective  
22 and is in the best long-term interest of the Postal Service.

23 “(c) CONVERSION TO OTHER DELIVERY MODES.—

24 “(1) NEW ADDRESSES.—Except as provided in  
25 paragraphs (4) and (5), the Postal Service shall pro-

1       vide centralized delivery to new addresses established  
2       after the date of enactment of the Improving Postal  
3       Operations, Service, and Transparency Act of 2015,  
4       or if centralized delivery is not practicable shall pro-  
5       vide curbside delivery.

6           “(2) BUSINESS ADDRESS CONVERSION.—The  
7       Postal Service shall carry out a program to convert,  
8       on a voluntary basis, business addresses with door  
9       delivery on the date of enactment of the Improving  
10      Postal Operations, Service, and Transparency Act of  
11      2015 to centralized delivery or to curbside delivery.

12           “(3) RESIDENTIAL ADDRESS CONVERSION.—

13           “(A) IDENTIFICATION.—Not later than  
14      270 days after the date of enactment of the Im-  
15      proving Postal Operations, Service, and Trans-  
16      parency Act of 2015, the head of each district  
17      office of the Postal Service shall identify resi-  
18      dential addresses within the service area of the  
19      district office that are appropriate candidates  
20      for conversion from door delivery to a more  
21      cost-effective primary mode of delivery, in ac-  
22      cordance with standards established by the  
23      Postal Service.

24           “(B) VOLUNTARY CONVERSION.—Not later  
25      than 1 year after the date of enactment of the

1           Improving Postal Operations, Service, and  
2           Transparency Act of 2015, and consistent with  
3           subsection (b) and paragraph (4), the Postal  
4           Service shall begin implementation of a pro-  
5           gram to convert, on a voluntary basis, the ad-  
6           dresses identified under subparagraph (A) from  
7           door delivery to a more cost-effective primary  
8           mode of delivery.

9           “(C) PROCEDURES.—In pursuing conver-  
10          sion under subparagraph (B), the Postal Serv-  
11          ice shall establish procedures to—

12                 “(i) solicit and consider input from  
13                 postal customers, State and local govern-  
14                 ments, local associations, and property  
15                 owners; and

16                 “(ii) place centralized delivery points  
17                 in locations that maximize delivery effi-  
18                 ciency, ease of use for postal customers,  
19                 and respect for private property rights.

20          “(4) EXCEPTIONS.—In establishing a primary  
21          mode of mail delivery for new addresses under para-  
22          graph (1) or converting the primary mode of mail  
23          delivery for an address under paragraph (2) or (3),  
24          the Postal Service may provide door delivery if—

1           “(A) a physical barrier precludes the effi-  
2           cient provision of centralized delivery or  
3           curbside delivery;

4           “(B) the address is located in a registered  
5           historic district, as that term is defined in sec-  
6           tion 47(c)(3)(B) of the Internal Revenue Code  
7           of 1986; or

8           “(C) the Postal Service determines that  
9           the provision of centralized delivery or curbside  
10          delivery would be impractical, would not be cost  
11          effective, or would not be in the best long-term  
12          interest of the Postal Service.

13          “(5) WAIVER FOR PHYSICAL HARDSHIP.—

14          “(A) IN GENERAL.—The Postal Service  
15          shall establish and maintain a waiver program  
16          under which, upon the application of a postal  
17          customer, door delivery may be continued or  
18          provided to a delivery point if—

19                  “(i) centralized delivery or curbside  
20                  delivery would, but for this paragraph, be  
21                  the primary mode of mail delivery for the  
22                  delivery point; and

23                  “(ii) a physical hardship prevents the  
24                  postal customer from receiving his or her

1 mail through any other form of mail deliv-  
2 ery.

3 “(B) PUBLICITY; SIMPLICITY.—In estab-  
4 lishing and maintaining the waiver program  
5 under subparagraph (A), the Postal Service  
6 shall—

7 “(i) publicize the waiver program; and

8 “(ii) provide a simple application  
9 process for participation in the waiver pro-  
10 gram.

11 “(C) POSTAL SERVICE DISCRETION.—  
12 Nothing in this paragraph shall be construed  
13 to—

14 “(i) prohibit the Postal Service from  
15 requiring evidence of a physical hardship  
16 in an appropriate case; or

17 “(ii) require the Postal Service to re-  
18 quire evidence of a physical hardship in  
19 any case.

20 “(D) NO FEES FOR APPLICATION OR DOOR  
21 DELIVERY.—In establishing and maintaining  
22 the waiver program under subparagraph (A),  
23 the Postal Service may not charge a postal cus-  
24 tomer any fee to—

25 “(i) apply for a waiver; or

1                   “(ii) upon the granting of a waiver by  
2                   the Postal Service, receive mail through  
3                   door delivery.”.

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

“3692. Delivery point modernization.”.

7 **SEC. 207. FLEET MAINTENANCE REPORTING AND ALTER-**  
8                   **NATIVE FUEL AND EMERGING TECH-**  
9                   **NOLOGIES DEMONSTRATION PROGRAM.**

10           (a) DEFINITIONS.—In this section—

11                   (1) the term “alternative fuel infrastructure”  
12                   means motor vehicle fueling infrastructure and  
13                   equipment capable of providing alternative fuel for  
14                   an alternative fuel vehicle;

15                   (2) the term “alternative fuel vehicle” means a  
16                   motor vehicle that uses—

17                           (A) electricity, including a—

18                                   (i) plug-in electric vehicle; or

19                                   (ii) hybrid electric vehicle;

20                           (B) natural gas;

21                           (C) propane;

22                           (D) hydrogen; or

23                           (E) biodiesel, using a B20 minimum stand-  
24                   ard or better;

1           (3) the term “emerging technologies” in-  
2           cludes—

3                   (A) collision aversion technologies; and

4                   (B) vehicle designs that address geographic  
5           and weather conditions; and

6           (4) the term “pilot program” means the pilot  
7           program implemented under subsection (b)(1).

8           (b) IMPLEMENTATION; DURATION.—

9                   (1) IMPLEMENTATION.—Not later than 180  
10           days after the date of enactment of this Act, the  
11           Postal Service shall implement a pilot program to  
12           assess the feasibility of integrating alternative fuel  
13           vehicles and emerging technologies into the postal  
14           fleet.

15                   (2) DURATION.—The Postal Service shall carry  
16           out the pilot program for a period of not less than  
17           1 year.

18           (c) LOCATIONS.—The Postal Service shall deploy and  
19           assess 2 types of alternative fuel vehicles described in sub-  
20           paragraphs (A) through (F) of subsection (a)(2), that are  
21           not being deployed or assessed as of the date of enactment  
22           of this Act, and any relevant emerging technologies, in the  
23           postal fleet in not fewer than 2 locations that—

1           (1) have existing or planned alternative fuel in-  
2           frastructure appropriate to the alternative fuel vehi-  
3           cle being assessed under the pilot program;

4           (2) have support from the applicable State and  
5           local governments and other stakeholders, including  
6           utility companies; and

7           (3) demonstrate a commitment to alternative  
8           fuel vehicle uptake and deployment.

9           (d) REINVESTMENT OF COST SAVINGS.—The Postal  
10          Service shall use any cost savings from the pilot pro-  
11          gram—

12           (1) to repay any obligation issued under section  
13           2005(a) of title 39, United States Code; and

14           (2) after repaying any obligation described in  
15           paragraph (1), to fund innovation efforts for mar-  
16           ket-dominant products of the Postal Service.

17          (e) REPORT.—Not later than 90 days after the date  
18          on which the Postal Service terminates the pilot program,  
19          the Postal Service shall complete and submit to Congress  
20          a report on the results of the pilot program, including an  
21          assessment of the feasibility of integrating alternative fuel  
22          vehicles into the postal fleet in conjunction with the future  
23          acquisition of the Next Generation of Delivery Vehicles  
24          (commonly known as “NGDV”), including assessments  
25          of—

1 (1) the ability of alternative fuel vehicles to—

2 (A) reduce the cost of vehicle operation, in-  
3 cluding fuel costs and other operation and  
4 maintenance costs, in the postal fleet;

5 (B) improve the environmental perform-  
6 ance of vehicles in the postal fleet, including by  
7 reducing air emissions to comply with standards  
8 established by the Administrator of the Envi-  
9 ronmental Protection Agency under the Clean  
10 Air Act (42 U.S.C. 7401 et seq.);

11 (C) create an alternative source of revenue  
12 for the Postal Service; and

13 (D) provide additional economic and envi-  
14 ronmental benefits to the communities sur-  
15 rounding the pilot sites; and

16 (2) the availability of alternative fuel infrastruc-  
17 ture to support an expanded integration of alter-  
18 native fuel vehicles into the postal fleet.

19 (f) FLEET MODERNIZATION.—

20 (1) GAO REPORT.—Not later than 1 year after  
21 the date of enactment of this Act, the Comptroller  
22 General of the United States shall study and submit  
23 to Congress a report on—

24 (A) the feasibility of the Postal Service de-  
25 signing mail delivery vehicles that are equipped

1 for diverse geographic conditions such as travel  
2 in rural areas and extreme weather conditions;  
3 and

4 (B) the feasibility and cost of the Postal  
5 Service integrating the use of collision-averting  
6 technology into its vehicle fleet.

7 (2) **POSTAL SERVICE REPORT.**—Not later than  
8 1 year after the date of enactment of this Act, the  
9 Postal Service shall submit to Congress a report  
10 that includes—

11 (A) a review of the efforts of the Postal  
12 Service relating to fleet replacement and mod-  
13 ernization; and

14 (B) a strategy for carrying out the fleet re-  
15 placement and lifecycle plan of the Postal Serv-  
16 ice.

17 **SEC. 208. MULTI-BROKER LEASE OF POSTAL SERVICE FA-**  
18 **CILITIES.**

19 (a) **IN GENERAL.**—Chapter 20 of title 39, United  
20 States Code, is amended by adding at the end the fol-  
21 lowing:

22 **“§ 2012. Multi-broker lease of Postal Service facilities**

23 “(a) **DEFINITION.**—In this section, the term ‘multi-  
24 broker contract vehicle’ means a contract vehicle, similar  
25 to the National Broker Contract used by the General Serv-

1 ices Administration, that encourages competition through  
2 the use of multiple national real estate companies.

3 “(b) REQUIREMENT TO USE MULTI-BROKER  
4 LEASE.—

5 “(1) IN GENERAL.—Except as provided in para-  
6 graph (2), the Postal Service shall use a multi-  
7 broker contract vehicle to acquire any leased prop-  
8 erty.

9 “(2) EXCEPTION.—Paragraph (1) shall not  
10 apply to a leased property—

11 “(A) that the Postal Service acquired be-  
12 fore the date of enactment of the Improving  
13 Postal Operations, Service, and Transparency  
14 Act of 2015; and

15 “(B) the lease for which the Postal Service  
16 renews, using its own resources, on or after the  
17 date of enactment of the Improving Postal Op-  
18 erations, Service, and Transparency Act of  
19 2015.”.

20 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
21 The table of sections for chapter 20 of title 39, United  
22 States Code, is amended by adding at the end the fol-  
23 lowing:

“2012. Multi-broker lease of Postal Service facilities.”.

24 **SEC. 209. CAPITOL COMPLEX POST OFFICES.**

25 (a) HOUSE OF REPRESENTATIVES.—

1           (1) IN GENERAL.—The Postal Service shall not  
2 maintain or operate more than 1 post office in the  
3 United States Capitol Complex, as defined in section  
4 310(a)(3)(B) of the Legislative Branch Appropria-  
5 tions Act, 1990 (2 U.S.C. 2172(a)(3)(B)), which  
6 shall be located in a House Office Building.

7           (2) CLOSING OF CAPITOL POST OFFICES.—The  
8 Postal Service shall close any post office in the  
9 United States Capitol Complex, as defined in section  
10 310(a)(3)(B) of the Legislative Branch Appropria-  
11 tions Act, 1990 (2 U.S.C. 2172(a)(3)(B)), not per-  
12 mitted under this subsection, without regard to the  
13 requirements under section 404(d) of title 39,  
14 United States Code.

15 (b) SENATE.—

16           (1) IN GENERAL.—The Sergeant at Arms and  
17 Doorkeeper of the Senate may not enter into, mod-  
18 ify, or renew a contract with the Postal Service to  
19 maintain or operate more than 1 post office in a  
20 Senate Office Building.

21           (2) EXISTING CONTRACTS.—Nothing in para-  
22 graph (1) may be construed to affect a contract en-  
23 tered into by the Sergeant at Arms and Doorkeeper  
24 of the Senate and the Postal Service before the date  
25 of enactment of this Act.

1       **TITLE III—POSTAL SERVICE**  
2       **REVENUE AND INNOVATION**

3       **SEC. 301. RATES.**

4           (a) ESTABLISHMENT OF RATE BASELINE AND TEM-  
5       PORARY FREEZE.—The rates for market-dominant prod-  
6       ucts in effect on September 30, 2015—

7           (1) shall be in effect on and after the date of  
8       enactment of this Act unless adjusted in accordance  
9       with section 3622 of title 39, United States Code, as  
10      amended by subsection (b)(2) of this section; and

11          (2) may not be adjusted before January 1,  
12      2018.

13      (b) ESTABLISHMENT OF NEW SYSTEM.—

14          (1) IN GENERAL.—Not later than January 1,  
15      2018, the Commission—

16           (A) shall by regulation establish a new sys-  
17      tem for regulating rates and classes for market-  
18      dominant products under section 3622 of title  
19      39, United States Code, as amended by para-  
20      graph (2) of this subsection; and

21           (B) in establishing the new system, may  
22      consider any rate increases that, but for the  
23      prohibition on adjustments to rates under sub-  
24      section (a)(2) of this section, might have been

1 applied during the period during which the pro-  
2 hibition was in effect.

3 (2) NEW PRINCIPLES.—Section 3622(c) of title  
4 39, United States Code, is amended—

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

7 (B) by redesignating paragraph (14) as  
8 paragraph (15); and

9 (C) by inserting after paragraph (13) the  
10 following:

11 “(14) the service standards established under  
12 section 3691 and the extent to which the Postal  
13 Service is meeting those standards in all commu-  
14 nities, including urban, suburban, and rural commu-  
15 nities; and”.

16 **SEC. 302. POSTAL COSTING SYSTEM.**

17 Not later than 1 year after the date of enactment  
18 of this Act, the Commission, in consultation with the Post-  
19 al Service and in conjunction with the establishment of  
20 a new system for regulating rates and classes for market-  
21 dominant products under section 3622 of title 39, United  
22 States Code (as amended by section 301(b)(2) of this  
23 Act), shall by regulation direct the Postal Service to up-  
24 date its existing costing methodologies as necessary and  
25 appropriate to effectuate the changes to mail processing

1 technologies and cost tracking that have occurred in re-  
2 cent years or are reasonably expected to occur in the fore-  
3 seeable future.

4 **SEC. 303. NONPOSTAL SERVICES.**

5 (a) AUTHORIZATION OF NEW NONPOSTAL SERV-  
6 ICES.—

7 (1) IN GENERAL.—Section 404 of title 39,  
8 United States Code, as amended by this Act, is  
9 amended—

10 (A) in subsection (a)—

11 (i) by redesignating paragraphs (6)  
12 through (8) as paragraphs (7) through (9),  
13 respectively; and

14 (ii) by inserting after paragraph (5)  
15 the following:

16 “(6) on and after the date of enactment of the  
17 Improving Postal Operations, Service, and Trans-  
18 parency Act of 2015, except as provided in sub-  
19 section (e) and subject to subsection (h)—

20 “(A) to provide other services that are not  
21 postal services, if the provision of such serv-  
22 ices—

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

1           “(ii) is consistent with the public in-  
2           terest and demonstrated likely public de-  
3           mand for—

4                   “(I) the Postal Service, rather  
5                   than another entity, to provide the  
6                   services; or

7                   “(II) the Postal Service, in addi-  
8                   tion to or in partnership with another  
9                   entity, to provide the services;

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

17                   “(iv) does not unreasonably interfere  
18                   with or detract from the value of postal  
19                   services, including—

20                           “(I) the cost and efficiency of  
21                           postal services; and

22                           “(II) access to postal retail serv-  
23                           ice;

24                   “(v) will be undertaken in accordance  
25                   with all Federal laws and regulations ap-

1 plicable to the provision of such services;

2 and

3 “(vi) is reasonably expected to im-  
4 prove the net financial position of the  
5 Postal Service, based on a market analysis  
6 conducted by or on behalf of the Postal  
7 Service; and

8 “(B) to classify a service provided under  
9 subparagraph (A) as an experimental product  
10 subject to section 3641;”;

11 (B) in subsection (e)(1), by inserting “and  
12 that was offered by the Postal Service on the  
13 date of enactment of the Improving Postal Op-  
14 erations, Service, and Transparency Act of  
15 2015” after “102(5)”; and

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

17 “(g) TREATMENT OF NEW NONPOSTAL SERVICES.—  
18 For purposes of chapters 20 and 36 of this title, nonpostal  
19 services provided under subsection (a)(6) shall be treated  
20 as competitive products.

21 “(h) FEDERAL REGULATION OF NEW NONPOSTAL  
22 SERVICES.—The Postal Service shall ensure that any non-  
23 postal service provided under subsection (a)(6) that is oth-  
24 erwise subject to the jurisdiction and regulation of a Fed-  
25 eral regulatory agency remains subject to the jurisdiction

1 and regulation of the Federal regulatory agency notwith-  
2 standing the fact that the nonpostal service is provided  
3 by the Postal Service.”.

4 (2) COMPLAINTS.—Section 3662(a) of title 39,  
5 United States Code, is amended by inserting  
6 “404(a)(6),” after “403(c),”.

7 (3) MARKET ANALYSIS.—During the 5-year pe-  
8 riod beginning on the date of enactment of this Act,  
9 not later than 7 days after the date on which any  
10 market analysis conducted under section  
11 404(a)(6)(A)(vi) of title 39, United States Code, as  
12 amended by this section, is completed, the Postal  
13 Service shall submit a copy of the market analysis  
14 to—

15 (A) the Commission;

16 (B) the Committee on Homeland Security  
17 and Governmental Affairs of the Senate; and

18 (C) the Committee on Oversight and Gov-  
19 ernment Reform of the House of Representa-  
20 tives.

21 (b) GOVERNMENTAL SERVICES.—Section 411 of title  
22 39, United States Code, is amended—

23 (1) in the second sentence, by striking “this  
24 section” and inserting “this subsection”;

1           (2) by striking “Executive agencies” and insert-  
2           ing “(a) FEDERAL GOVERNMENT.—Executive agen-  
3           cies”; and

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

5           “(b) STATE, LOCAL, AND TRIBAL GOVERNMENTS.—

6           “(1) AUTHORITY OF POSTAL SERVICE.—The  
7           Postal Service is authorized to furnish property and  
8           services to States, local governments, and tribal gov-  
9           ernments, under such terms and conditions as the  
10          Postal Service and the applicable State, local govern-  
11          ment, or tribal government shall determine appro-  
12          priate.

13          “(2) DEFINITIONS.—For purposes of this sub-  
14          section—

15                 “(A) the term ‘local government’ means—

16                         “(i) a county, municipality, city, town,  
17                         township, local public authority, school dis-  
18                         trict, special district, intrastate district,  
19                         council of governments, or regional or  
20                         interstate government entity;

21                         “(ii) an agency or instrumentality of  
22                         an entity described in clause (i); or

23                         “(iii) a rural community, an unincor-  
24                         porated town or village, or an instrumen-

1                   tality of a rural community or an unincor-  
2                   porated town or village;

3                   “(B) the term ‘State’ includes the District  
4                   of Columbia, the Commonwealth of Puerto  
5                   Rico, the United States Virgin Islands, Guam,  
6                   American Samoa, the Commonwealth of the  
7                   Northern Mariana Islands, and any other terri-  
8                   tory or possession of the United States; and

9                   “(C) the term ‘tribal government’ means  
10                  the government of an Indian tribe, as that term  
11                  is defined in section 4(e) of the Indian Self-De-  
12                  termination Act (25 U.S.C. 450b(e)).

13               “(c) REPORT.—The Postal Service shall submit to  
14               the Postal Regulatory Commission, together with the re-  
15               port required under section 3652, a report that details the  
16               costs and revenues of the property and services furnished  
17               by the Postal Service under this section during the period  
18               covered by the report required under section 3652.

19               “(d) REIMBURSEMENT DETERMINATION.—In deter-  
20               mining the possibility for reimbursement under sub-  
21               sections (a) and (b), the Postal Service shall ensure that  
22               each property or service furnished under such subsections  
23               covers its costs attributable, as that term is defined in sec-  
24               tion 3631(b).”.

25               (c) CONFORMING AMENDMENTS.—

1           (1) SECTION 404(e) OF TITLE 39.—Section  
2           404(e) of title 39, United States Code, is amended—

3                   (A) by striking “(e)(1) In this” and insert-  
4           ing the following:

5           “(e) PREVIOUSLY OFFERED NONPOSTAL SERV-  
6 ICES.—

7                   “(1) DEFINITION.—In this”;

8                   (B) in paragraph (2), by striking “(2)  
9           Nothing” and inserting the following:

10           “(2) ELIGIBLE NONPOSTAL SERVICES.—Noth-  
11           ing”;

12                   (C) in paragraph (3)—

13                   (i) by striking “(3) Not” and insert-  
14           ing the following:

15           “(3) REVIEW OF NONPOSTAL SERVICES.—Not”;

16           and

17                   (ii) by moving subparagraphs (A) and  
18           (B) 2 ems to the right;

19                   (D) in paragraph (4), by striking “(4)  
20           Any” and inserting the following:

21           “(4) TERMINATION.—Any”; and

22                   (E) by striking paragraph (5) and insert-  
23           ing the following:

24           “(5) DESIGNATION.—Each nonpostal service  
25           authorized under this subsection shall be designated

1 as market-dominant or competitive based on the des-  
2 ignation of the nonpostal service in the Mail Classi-  
3 fication Schedule as in effect on the date of enact-  
4 ment of the Improving Postal Operations, Service,  
5 and Transparency Act of 2015.

6 “(6) RULE OF CONSTRUCTION.—Nothing in  
7 this subsection shall be construed to prevent the  
8 Postal Service from providing nonpostal services  
9 under subsection (a)(6).”.

10 (2) SECTION 3641 OF TITLE 39.—Section 3641  
11 of title 39, United States Code, is amended—

12 (A) in subsection (b)(1), by inserting “(or  
13 the appropriate consumers in the case of non-  
14 postal services)” after “users”;

15 (B) in the first sentence of subsection  
16 (b)(3), by striking “section 3642(b)(1)” and in-  
17 serting “sections 404(g) and 3642(b)(1)”;

18 (C) in the second sentence of subsection  
19 (b)(3), by striking “section 3633(3)” and in-  
20 serting “section 3633(a)(3)”;

21 (D) in subsection (e)(1), by striking  
22 “\$10,000,000” and inserting “\$50,000,000”;  
23 and

24 (E) in subsection (e)(2), by striking  
25 “\$50,000,000” and inserting “\$100,000,000”.

1           (3) TECHNICAL AND CONFORMING AMEND-  
2           MENTS.—Section 2003(b)(1) of title 39, United  
3           States Code, is amended by striking “postal and  
4           nonpostal services” and inserting “postal services,  
5           nonpostal services authorized under section 404(e),  
6           and property and services authorized under section  
7           411,”.

8           (d) ASSESSMENT OF WI-FI FEASIBILITY.—

9           (1) IN GENERAL.—The Inspector General of  
10          the Postal Service shall assess the feasibility of the  
11          Postal Service providing unique services in urban  
12          and rural communities, such as providing wireless  
13          broadband Internet access service at post offices.

14          (2) NO UNFAIR COMPETITION.—The assess-  
15          ment conducted under paragraph (1) shall take into  
16          account the requirement under section  
17          404(a)(6)(A)(iii) of title 39, United States Code (as  
18          added by subsection (a)), that the Postal Service, in  
19          providing new nonpostal services, may not create un-  
20          fair competition with the private sector.

21 **SEC. 304. SHIPPING OF WINE, BEER, AND DISTILLED SPIR-**  
22 **ITS.**

23          (a) MAILABILITY.—

24          (1) NONMAILABLE ARTICLES.—Section 1716(f)  
25          of title 18, United States Code, is amended by strik-

1 ing “mails” and inserting “mails, except to the ex-  
2 tent that the mailing is allowable under section  
3 3001(p) of title 39”.

4 (2) APPLICATION OF LAWS.—Section 1161 of  
5 title 18, United States Code, is amended by insert-  
6 ing “, and, with respect to the mailing of distilled  
7 spirits, wine, or malt beverages (as those terms are  
8 defined in section 117 of the Federal Alcohol Admin-  
9 istration Act (27 U.S.C. 211)), is in conformity with  
10 section 3001(p) of title 39” after “Register”.

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

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

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

20 “(A) in accordance with the laws and regula-  
21 tions of—

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

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

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

6           “(i) who provides a signature and presents  
7           a valid, government-issued photo identification  
8           upon delivery; or

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

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

11           “(II) provides a signature and pre-  
12           sents a valid, government-issued photo  
13           identification upon delivery.

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

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

18           (1) the date on which the Postal Service issues  
19           regulations under section 3001(p) of title 39, United  
20           States Code, as amended by this section; and

21           (2) the date that is 120 days after the date of  
22           enactment of this Act.

23           (d) NO PREEMPTION OF STATE, LOCAL, OR TRIBAL  
24           LAWS PROHIBITING DELIVERIES, SHIPMENTS, OR  
25           SALES.—Nothing in this section, the amendments made

1 by this section, or any regulation promulgated under this  
2 section or the amendments made by this section, shall be  
3 construed to preempt, supersede, or otherwise limit or re-  
4 strict any State, local, or tribal law that prohibits or regu-  
5 lates the delivery, shipment, or sale of distilled spirits,  
6 wine, or malt beverages (as those terms are defined in sec-  
7 tion 117 of the Federal Alcohol Administration Act (27  
8 U.S.C. 211)).

9 **SEC. 305. CHIEF INNOVATION OFFICER; INNOVATION**  
10 **STRATEGY.**

11 (a) CHIEF INNOVATION OFFICER.—

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

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

16 “(a) ESTABLISHMENT.—There shall be in the Postal  
17 Service a Chief Innovation Officer appointed by the Post-  
18 master General from among officers and employees of the  
19 Postal Service.

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

23 “(1) business process management;

24 “(2) the postal and shipping industry;

1           “(3) innovative product research and develop-  
2           ment;

3           “(4) brand marketing strategy; or

4           “(5) new and emerging technology, including  
5           communications technology.

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

8           “(1) innovative postal products and services,  
9           particularly products and services that use new and  
10          emerging technology, including communications  
11          technology, to improve the net financial position of  
12          the Postal Service; and

13          “(2) nonpostal services authorized under section  
14          404(a)(6) that have the potential to improve the net  
15          financial position of the Postal Service.”.

16          (2) TECHNICAL AND CONFORMING AMEND-  
17          MENT.—The table of sections for chapter 2 of title  
18          39, United States Code, is amended by adding at  
19          the end the following:

“209. Chief Innovation Officer.”.

20          (3) DEADLINE.—Not later than 90 days after  
21          the date of enactment of this Act, the Postmaster  
22          General shall appoint a Chief Innovation Officer  
23          under section 209 of title 39, United States Code,  
24          as added by paragraph (1).

1           (4) EXISTING RESOURCES.—The Postal Service  
2 shall fund the office of the Chief Innovation Officer  
3 established under section 209 of title 39, United  
4 States Code, as added by paragraph (1), using exist-  
5 ing resources.

6           (b) INNOVATION STRATEGY.—

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

9           (A) IN GENERAL.—Not later than 270  
10 days after the date of enactment of this Act,  
11 the Postmaster General, acting through the  
12 Chief Innovation Officer, shall submit a report  
13 that contains a comprehensive strategy (re-  
14 ferred to in this subsection as the “innovation  
15 strategy”) for improving the net financial posi-  
16 tion of the Postal Service through innovation,  
17 including the offering of new postal and non-  
18 postal services, to—

19                   (i) the Committee on Homeland Secu-  
20 rity and Governmental Affairs of the Sen-  
21 ate; and

22                   (ii) the Committee on Oversight and  
23 Government Reform of the House of Rep-  
24 resentatives.

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

4 (i) the specific innovative postal and  
5 nonpostal services to be developed and of-  
6 fered by the Postal Service, including—

7 (I) the nature of the market de-  
8 mand to be satisfied by each product  
9 or service; and

10 (II) the estimated date by which  
11 each product or service will be intro-  
12 duced;

13 (ii) the cost of developing and offering  
14 each product or service;

15 (iii) the anticipated sales volume for  
16 each product or service;

17 (iv) the anticipated revenues and prof-  
18 its to be generated by each product or  
19 service;

20 (v) the likelihood of success of each  
21 product or service and the risks associated  
22 with the development and sale of each  
23 product or service;

24 (vi) the trends anticipated in market  
25 conditions that may affect the success of

1 each product or service during the 5-year  
2 period beginning on the date of the sub-  
3 mission of the report under subparagraph  
4 (A);

5 (vii) any innovations designed to im-  
6 prove the net financial position of the  
7 Postal Service, other than the offering of  
8 new products and services; and

9 (viii) the metrics that will be used to  
10 assess the effectiveness of the innovation  
11 strategy.

12 (2) ANNUAL REPORT.—

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

21 (i) the Committee on Homeland Secu-  
22 rity and Governmental Affairs of the Sen-  
23 ate; and

1 (ii) the Committee on Oversight and  
2 Government Reform of the House of Rep-  
3 resentatives.

4 (B) MATTERS TO BE ADDRESSED.—At a  
5 minimum, an annual report submitted under  
6 subparagraph (A) shall include—

7 (i) an update of the initial report on  
8 innovation strategy submitted under para-  
9 graph (1);

10 (ii) a description of the progress made  
11 by the Postal Service in implementing the  
12 products, services, and other innovations  
13 described in the initial report on innovation  
14 strategy; and

15 (iii) an analysis of the performance of  
16 each product, service, or other innovation  
17 described in the initial report on innovation  
18 strategy, including—

19 (I) the revenue generated by each  
20 product or service developed in ac-  
21 cordance with the innovation strategy  
22 under this section and the cost of de-  
23 veloping and offering each product or  
24 service for the preceding year;

1 (II) trends in each market in  
2 which a product or service is intended  
3 to satisfy a demand;

4 (III) each product or service  
5 identified in the innovation strategy  
6 that is to be discontinued, the date on  
7 which each discontinuance will occur,  
8 and the reasons for each discontinu-  
9 ance;

10 (IV) each alteration that the  
11 Postal Service plans to make to a  
12 product or service identified in the in-  
13 novation strategy to address changing  
14 market conditions and an explanation  
15 of how each alteration will ensure the  
16 success of the product or service;

17 (V) the performance of innova-  
18 tions other than new products and  
19 services that are designed to improve  
20 the net financial position of the Postal  
21 Service; and

22 (VI) the performance of the inno-  
23 vation strategy according to the  
24 metrics described in paragraph  
25 (1)(B)(viii).

1 **SEC. 306. STRATEGIC ADVISORY COMMISSION ON POSTAL**  
2 **SERVICE SOLVENCY, SERVICE, AND INNOVA-**  
3 **TION.**

4 (a) ESTABLISHMENT.—

5 (1) IN GENERAL.—There is established in the  
6 executive branch a Strategic Advisory Commission  
7 on Postal Service Solvency, Service, and Innovation  
8 (referred to in this section as the “Advisory Com-  
9 mission”).

10 (2) INDEPENDENCE.—The Advisory Commis-  
11 sion shall not be subject to the supervision of the  
12 Board of Governors of the Postal Service (referred  
13 to in this section as the “Board of Governors”), any  
14 Executive Committee established under section  
15 202(i) of title 39, United States Code, the Post-  
16 master General, or any other officer or employee of  
17 the Postal Service.

18 (b) PURPOSE.—The purpose of the Advisory Com-  
19 mission is to—

20 (1) provide strategic guidance to the President,  
21 Congress, the Board of Governors, the Postmaster  
22 General, and the Chief Innovation Officer on en-  
23 hancing the long-term solvency of the Postal Service;  
24 and

1           (2) foster innovative thinking to address the  
2 challenges facing the Postal Service without unfairly  
3 competing with the private sector.

4           (c) MEMBERSHIP.—

5           (1) COMPOSITION.—The Advisory Commission  
6 shall be composed of 7 members, of whom—

7           (A) 3 members shall be appointed by the  
8 President, who shall designate 1 member ap-  
9 pointed under this subparagraph to serve as  
10 Chairperson of the Advisory Commission; and

11           (B) 1 member shall be appointed by each  
12 of—

13                   (i) the majority leader of the Senate;

14                   (ii) the minority leader of the Senate;

15                   (iii) the Speaker of the House of Rep-  
16 resentatives; and

17                   (iv) the minority leader of the House  
18 of Representatives.

19           (2) QUALIFICATIONS.—Members of the Advi-  
20 sory Commission shall have—

21           (A) recognized and significant experience  
22 in such fields as business, technology, and pub-  
23 lic administration;

24           (B) a documented record of innovative  
25 thinking;

1 (C) familiarity with new and emerging  
2 technologies; and

3 (D) experience with revitalizing organiza-  
4 tions, corporations, or communities that experi-  
5 enced significant financial challenges or other  
6 challenges.

7 (3) INCOMPATIBLE OFFICES.—An individual  
8 who is appointed to the Advisory Commission may  
9 not serve as an elected official or an officer or em-  
10 ployee of the Federal Government while serving as  
11 a member of the Advisory Commission, except in the  
12 capacity of that individual as a member of the Advi-  
13 sory Commission.

14 (4) DEADLINE FOR APPOINTMENT.—Each  
15 member of the Advisory Commission shall be ap-  
16 pointed not later than 60 days after the date of en-  
17 actment of this Act.

18 (5) MEETINGS; QUORUM; VACANCIES.—

19 (A) MEETINGS.—The Advisory Commis-  
20 sion shall meet at the call of the Chairperson or  
21 a majority of the members of the Advisory  
22 Commission.

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

1           (C) VACANCIES.—Any vacancy in the Advi-  
2           sory Commission shall not affect the powers of  
3           the Advisory Commission, but shall be filled as  
4           soon as practicable in the same manner in  
5           which the original appointment was made.

6           (d) DUTIES AND POWERS.—

7           (1) DUTIES.—The Advisory Commission  
8           shall—

9           (A) study matters that the Advisory Com-  
10          mission determines are necessary and appro-  
11          priate to develop a strategic blueprint for the  
12          long-term solvency of the Postal Service, includ-  
13          ing—

14               (i) the financial, operational, and  
15               structural condition of the Postal Service;

16               (ii) alternative strategies and business  
17               models that the Postal Service could adopt;

18               (iii) opportunities for additional postal  
19               and nonpostal services that the Postal  
20               Service could offer;

21               (iv) the comparative postal practices  
22               of other countries, including innovative  
23               products and services that postal services  
24               in other countries have offered, including  
25               services that respond to the increasing use

1 of electronic means of communication, and  
2 different approaches to mail delivery, in-  
3 cluding rural delivery, that other countries  
4 have adopted;

5 (v) the governance and organizational  
6 and management structures of the Postal  
7 Service;

8 (vi) efforts by the Postal Service to  
9 recruit and retain a workforce, particularly  
10 in rural areas, capable of meeting the stra-  
11 tegic needs of the Postal Service regarding  
12 innovation, nationwide service standards,  
13 and nationwide delivery schedules;

14 (vii) efforts by the Postal Service to  
15 protect and enhance the provision of postal  
16 services to rural areas of the United  
17 States, including additional actions or  
18 strategies needed to meet service standards  
19 in rural areas;

20 (viii) the morale of the workforce of  
21 the Postal Service, including strategies to  
22 improve morale; and

23 (ix) technology that could enhance  
24 and protect postal services; and

1 (B) submit the report required under sub-  
2 section (h).

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

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

17 (e) APPLICABILITY OF LAWS.—The Federal Advisory  
18 Committee Act (5 U.S.C. App) and section 552a of title  
19 5, United States Code (commonly known as the “Privacy  
20 Act of 1974”) shall apply to the Advisory Commission.

21 (f) ASSISTANCE FROM FEDERAL AGENCIES.—

22 (1) POSTAL SERVICE.—The Postmaster General  
23 shall provide to the Advisory Commission adminis-  
24 trative support and other services for the perform-  
25 ance of the functions of the Advisory Commission.

1           (2) OTHER DEPARTMENTS AND AGENCIES.—An  
2 agency of the Federal Government may provide to  
3 the Advisory Committee such services, funds, facili-  
4 ties, staff, and other support services that the agen-  
5 cy determines to be advisable or is otherwise author-  
6 ized under law.

7 (g) PERSONNEL MATTERS.—

8           (1) ADVISORY COMMISSION MEMBERS.—

9           (A) COMPENSATION OF MEMBERS.—Each  
10 member of the Advisory Commission shall be  
11 compensated at a rate equal to the daily equiva-  
12 lent of the annual rate of basic pay prescribed  
13 for level IV of the Executive Schedule under  
14 section 5315 of title 5, United States Code, for  
15 each day during which the member is engaged  
16 in the actual performance of the duties of the  
17 Advisory Commission.

18           (B) TRAVEL EXPENSES.—Each member of  
19 the Advisory Commission shall be allowed travel  
20 expenses, including per diem in lieu of subsist-  
21 ence, at the rate authorized for employees serv-  
22 ing intermittently in the Government service  
23 under section 5703 of title 5, United States  
24 Code, while away from home or regular place of

1 business in the performance of services for the  
2 Advisory Commission.

3 (2) STAFF.—

4 (A) APPOINTMENT AND COMPENSATION.—

5 The Chairperson, in accordance with rules  
6 agreed upon by the Advisory Commission, shall  
7 appoint and fix the compensation of an execu-  
8 tive director and such other personnel as may  
9 be necessary to enable the Advisory Commission  
10 to carry out the functions of the Advisory Com-  
11 mission, without regard to the provisions of title  
12 5, United States Code, governing appointments  
13 in the competitive service, and without regard  
14 to the provisions of chapter 51 and subchapter  
15 III of chapter 53 of such title relating to classi-  
16 fication of positions and General Schedule pay  
17 rates, except that a rate of pay fixed under this  
18 subparagraph may not exceed the annual rate  
19 of basic pay prescribed for level V of the Execu-  
20 tive Schedule under section 5316 of title 5,  
21 United States Code.

22 (B) DETAILEES.—Any Federal employee,  
23 including an employee of the Postal Service,  
24 may be detailed to the Advisory Commission  
25 without reimbursement, and such detail shall be

1 without interruption or loss of the civil service  
2 rights, status, or privilege of the employee.

3 (h) STRATEGIC BLUEPRINT FOR LONG-TERM SOL-  
4 VENCY.—

5 (1) IN GENERAL.—Not later than 270 days  
6 after the date of enactment of this Act, the Advisory  
7 Commission shall submit a report that contains a  
8 strategic blueprint for the long-term solvency of the  
9 Postal Service to—

10 (A) the President;

11 (B) the Committee on Homeland Security  
12 and Governmental Affairs of the Senate;

13 (C) the Committee on Oversight and Gov-  
14 ernment Reform of the House of Representa-  
15 tives;

16 (D) the Board of Governors; and

17 (E) the Postmaster General.

18 (2) CONTENTS.—The strategic blueprint con-  
19 tained in the report submitted under paragraph (1)  
20 shall include—

21 (A) an assessment of the business model of  
22 the Postal Service as of the date on which the  
23 report is submitted;

1 (B) an assessment of potential future busi-  
2 ness models for the Postal Service, including an  
3 evaluation of the appropriate balance between—

4 (i) necessary reductions in costs and  
5 services; and

6 (ii) additional opportunities for  
7 growth and revenue;

8 (C) a strategy for addressing significant  
9 current and future liabilities;

10 (D) identification of opportunities for fur-  
11 ther reductions in costs;

12 (E) identification of opportunities for new  
13 and innovative products and services, including  
14 products and services targeting rural areas;

15 (F) a strategy for future growth;

16 (G) a vision of how the Postal Service will  
17 operate in a sustainable manner 20 years after  
18 the date of enactment of this Act;

19 (H) a strategy for ensuring that the Postal  
20 Service has a sufficient workforce to meet all of  
21 its needs and comply with applicable legal re-  
22 quirements; and

23 (I) recommendations for any legislative  
24 changes necessary to implement the strategic  
25 blueprint described in this paragraph.

1 (i) STUDY AND STRATEGIC PLAN ON INTERAGENCY  
2 AGREEMENTS FOR POST OFFICES.—

3 (1) DUTIES OF ADVISORY COMMISSION.—

4 (A) STUDY.—

5 (i) IN GENERAL.—The Advisory Com-  
6 mission shall conduct a study concerning  
7 the advisability of the Postal Service enter-  
8 ing into interagency agreements with Fed-  
9 eral, State, and local agencies, with respect  
10 to post offices, that—

11 (I) streamline and consolidate  
12 services provided by Federal, State,  
13 and local agencies;

14 (II) decrease the costs incurred  
15 by Federal agencies in providing serv-  
16 ices to the general public; and

17 (III) improve the efficiency and  
18 maintain the customer service stand-  
19 ards of the Federal, State, and local  
20 agencies.

21 (ii) CLARIFICATION OF INTERAGENCY  
22 AGREEMENTS.—The study under clause (i)  
23 shall include consideration of the advis-  
24 ability of the Postal Service entering into  
25 an interagency agreement with Federal

1 agencies responsible for providing services  
2 to the general public.

3 (B) FINDINGS.—The Advisory Commission  
4 shall—

5 (i) not later than 270 days after the  
6 date of enactment of this Act, submit to  
7 the Postal Service the findings of the study  
8 conducted under subparagraph (A); and

9 (ii) incorporate the findings described  
10 in clause (i) into the strategic blueprint re-  
11 quired under subsection (h).

12 (2) POSTAL SERVICE STRATEGIC PLAN.—

13 (A) IN GENERAL.—Not later than 6  
14 months after the date on which the Advisory  
15 Commission submits to the Postal Service the  
16 findings under paragraph (1)(B), the Postal  
17 Service shall submit a nonbinding strategic plan  
18 for entering into interagency agreements con-  
19 cerning post offices to—

20 (i) the Committee on Homeland Secu-  
21 rity and Governmental Affairs of the Sen-  
22 ate; and

23 (ii) the Committee on Oversight and  
24 Government Reform of the House of Rep-  
25 resentatives.

1           (B) LIMITATIONS.—The strategic plan  
2 submitted under subparagraph (A) shall be con-  
3 sistent with public interest and demand.

4           (C) COST SAVINGS PROJECTIONS.—The  
5 strategic plan submitted under subparagraph  
6 (A) shall include, for each proposed interagency  
7 agreement, a projection of cost savings to be re-  
8 alized by the Postal Service and by any other  
9 Federal agency that is a party to the agree-  
10 ment.

11       (j) TERMINATION OF THE COMMISSION.—The Advi-  
12 sory Commission shall terminate on the earlier of—

13           (1) the date that is 60 days after the later of—

14               (A) the date on which the Advisory Com-  
15 mission submits the report on the strategic  
16 blueprint for long-term solvency under sub-  
17 section (h); or

18               (B) the date on which the Advisory Com-  
19 mission submits the findings on interagency  
20 agreements for post offices under subsection (i);  
21 or

22           (2) the date that is 1 year after the date of en-  
23 actment of this Act.

1 **TITLE IV—POSTAL SERVICE CUS-**  
2 **TOMER SERVICE, TRANS-**  
3 **PARENCY, AND REGULATION**

4 **SEC. 401. CUSTOMER SERVICE STUDY AND REPORT.**

5 (a) STUDY.—The Board of Governors of the Postal  
6 Service shall conduct a study on the customer service of  
7 the Postal Service, including—

8 (1) the training of customer-facing employees of  
9 the Postal Service at facilities operated by the Postal  
10 Service, the primary function of which is to provide  
11 retail postal services; and

12 (2) the flexibility of the facilities described in  
13 paragraph (1) to allow for the cross-training of cus-  
14 tomer-facing employees of the Postal Service during  
15 peak hours.

16 (b) REPORT.—Not later than 1 year after the date  
17 of enactment of this Act, the Board of Governors of the  
18 Postal Service shall submit to Congress a report on the  
19 study required under subsection (a), including—

20 (1) the current methods for measuring the cus-  
21 tomer service of the Postal Service;

22 (2) recent customer service performance; and

23 (3) strategies to enhance customer service.

1 **SEC. 402. POSTAL SERVICE RESULTS AND TERMS.**

2 (a) IN GENERAL.—Chapter 36 of title 39, United  
3 States Code, is amended by adding after section 3661 the  
4 following:

5 **“SEC. 3661A POSTAL SERVICE TRANSPARENCY.**

6 “(a) POSTAL SERVICE TERMS.—The Postal Service  
7 shall develop and regularly update a more customer  
8 friendly publication of Postal Service terms, abbreviations,  
9 and acronyms, which shall be made publicly available on  
10 the Postal Service website.

11 “(b) CENTRALIZED HUB TO VIEW DELIVERY AND  
12 RETAIL PERFORMANCE STANDARDS AND RESULTS.—Not  
13 later than 12 months after the date of enactment of this  
14 section, the Postal Service shall create a more centralized,  
15 easily accessible hub for viewing all delivery and retail per-  
16 formance standards and performance results. Perform-  
17 ance trending results for a period of not less than 24  
18 months shall be made available on the hub.”.

19 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
20 The table of sections for chapter 36 of title 39, United  
21 States Code, is amended by adding after the item relating  
22 to section 3661 the following:

“3661A. Postal Service transparency.”.

1 **SEC. 403. ANNUAL REPORT ON UNITED STATES MAILING IN-**  
2 **DUSTRY.**

3 (a) IN GENERAL.—Chapter 24 of title 39, United  
4 States Code, is amended by adding at the end the fol-  
5 lowing:

6 **“§ 2403. Annual report on the fiscal stability of the**  
7 **United States mailing industry**

8 “(a) IN GENERAL.—Not later than 1 year after the  
9 date of enactment of this section, and annually thereafter,  
10 the Postal Regulatory Commission shall submit a report  
11 on the fiscal stability of the United States mailing indus-  
12 try with respect to the preceding fiscal year to—

13 “(1) the Committee on Homeland Security and  
14 Governmental Affairs of the Senate; and

15 “(2) the Committee on Oversight and Govern-  
16 ment Reform of the House of Representatives.

17 “(b) ASSISTANCE.—The United States Postal Service  
18 and any Federal agency involved in oversight or data col-  
19 lection regarding industry sectors relevant to the report  
20 under subsection (a) shall provide any assistance to the  
21 Postal Regulatory Commission that the Postal Regulatory  
22 Commission determines is necessary in the preparation of  
23 a report under subsection (a).”.

24 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
25 The table of sections for chapter 24 of title 39, United

1 States Code, is amended by adding at the end the fol-  
2 lowing:

“2403. Annual report on the fiscal stability of the United States mailing indus-  
try.”.

3 **SEC. 404. POSTAL REGULATORY COMMISSION.**

4 (a) COMMISSIONERS.—Section 502 of title 39, United  
5 States Code, is amended—

6 (1) in subsection (c), by striking “subsection  
7 (f)” and inserting “subsections (f) and (g)”; and

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

9 “(g) The Commissioners may serve for not more than  
10 2 full terms.”.

11 (b) ADMINISTRATION.—Section 504 of title 39,  
12 United States Code, is amended—

13 (1) in subsection (a), in the second sentence—

14 (A) by striking “The Chairman” and in-  
15 serting “Subject to the policies adopted under  
16 subsection (b), the Chairman”; and

17 (B) by striking “all the executive” and in-  
18 serting “the day-to-day executive”;

19 (2) by amending subsection (b) to read as fol-  
20 lows:

21 “(b)(1) The Chairman shall be governed by the poli-  
22 cies adopted by the Commission under paragraph (2)(A)  
23 in carrying out any of the functions under this section.

1           “(2) The Commission shall adopt, by a vote of the  
2 majority of the members of the Commission, policies that  
3 shall govern all functions of the Commission, including the  
4 finances, operations, and administration of the Commis-  
5 sion.

6           “(3) The Commission shall review and, if necessary,  
7 revise the policies adopted under paragraph (2) not less  
8 frequently than every 4 years. Adoption of revised policies,  
9 or re-adoption of existing policies, shall be by a vote of  
10 the majority of the members of the Commission.”; and

11           (3) in subsection (c), by striking “The Chair-  
12 man” and inserting “Subject to the policies adopted  
13 under subsection (b), the Chairman”.

14 **SEC. 405. INSPECTOR GENERAL OF THE UNITED STATES**  
15                           **POSTAL SERVICE AND THE POSTAL REGU-**  
16                           **LATORY COMMISSION.**

17           (a) APPOINTMENT OF INSPECTOR GENERAL OF THE  
18 UNITED STATES POSTAL SERVICE AND THE POSTAL  
19 REGULATORY COMMISSION BY PRESIDENT.—Section 8G  
20 of the Inspector General Act of 1978 (5 U.S.C. App.) is  
21 amended—

22           (1) in subsection (a)—

23                   (A) in paragraph (2), by striking “the  
24 United States International Trade Commission,  
25 the Postal Regulatory Commission, and the

1 United States Postal Service” and inserting  
2 “the United States International Trade Com-  
3 mission, and the United States Postal Service  
4 and the Postal Regulatory Commission”; and

5 (B) in paragraph (4), by striking subpara-  
6 graph (B) and inserting the following:

7 “(B) with respect to the United States  
8 Postal Service and the Postal Regulatory Com-  
9 mission, such term, for purposes of oversight  
10 of—

11 “(i) the United States Postal Service,  
12 means the Governors (as defined in section  
13 102(3) of title 39, United States Code);  
14 and

15 “(ii) the Postal Regulatory Commis-  
16 sion, means the Chairman of the Postal  
17 Regulatory Commission;”;

18 (2) in subsection (d)(1), by inserting “or sub-  
19 section (f)(3)” after “Except as provided in para-  
20 graph (2)”; and

21 (3) in subsection (f)—

22 (A) by striking paragraph (1) and insert-  
23 ing the following:

24 “(1)(A) There is established in the United States  
25 Postal Service the Office of the Inspector General of the

1 United States Postal Service and the Postal Regulatory  
2 Commission.

3 “(B) There shall be at the head of the Office of the  
4 Inspector General of the United States Postal Service and  
5 the Postal Regulatory Commission an Inspector General  
6 (referred to in this subsection as the ‘Inspector General’)  
7 who shall be appointed by the President, by and with the  
8 advice and consent of the Senate, without regard to polit-  
9 ical affiliation and solely on the basis of integrity and dem-  
10 onstrated ability in accounting, auditing, financial anal-  
11 ysis, law, management analysis, public administration, or  
12 investigations.

13 “(C) The Inspector General may be removed from of-  
14 fice by the President. If the Inspector General is removed  
15 from office or is transferred to another position or location  
16 within the United States Postal Service, the President  
17 shall communicate in writing the reasons for any such re-  
18 moval or transfer to both Houses of Congress, not later  
19 than 30 days before the removal or transfer. Nothing in  
20 this subparagraph shall prohibit a personnel action other-  
21 wise authorized by law, other than transfer or removal.

22 “(D) For the purposes of section 7324 of title 5,  
23 United States Code, the Inspector General shall not be  
24 considered to be an employee who determines policies to

1 be pursued by the United States in the nationwide admin-  
2 istration of Federal laws.

3 “(E) The Inspector General shall have all of the au-  
4 thorities and responsibilities provided by this Act with re-  
5 spect to the Postal Regulatory Commission, as if the Post-  
6 al Regulatory Commission were part of the United States  
7 Postal Service.”;

8 (B) in paragraph (2), by striking “of the  
9 United States Postal Service (hereinafter in  
10 this subsection referred to as the ‘Inspector  
11 General’)”;

12 (C) in paragraph (3)—

13 (i) in subparagraph (A)—

14 (I) in clause (i), in the matter  
15 preceding subclause (I), by inserting  
16 “relating to the United States Postal  
17 Service” before “which require access  
18 to sensitive information”; and

19 (II) in clause (iii), by striking  
20 “Committee on Governmental Affairs  
21 of the Senate” and inserting “Com-  
22 mittee on Homeland Security and  
23 Governmental Affairs of the Senate”;

24 (ii) in subparagraph (B)(i), by insert-  
25 ing “and the Postal Regulatory Commis-

1 sion” after “United States Postal Service”;

2 and

3 (iii) in subparagraph (C), by striking

4 “Committee on Governmental Affairs of

5 the Senate” and inserting “Committee on

6 Homeland Security and Governmental Af-

7 fairs of the Senate”;

8 (D) in paragraph (4), by adding at the end

9 the following: “Nothing in this paragraph may

10 be invoked by the United States Postal Service

11 to restrict or limit any audit or investigation

12 that the Inspector General considers appro-

13 priate.”; and

14 (E) in paragraph (6), by inserting “and

15 the Postal Regulatory Commission” after

16 “United States Postal Service”.

17 (b) INTERIM POWER OF INSPECTOR GENERAL OF

18 THE UNITED STATES POSTAL SERVICE.—During the pe-

19 riod beginning on the date of enactment of this Act and

20 ending on the date on which the first individual is ap-

21 pointed as Inspector General of the United States Postal

22 Service and the Postal Regulatory Commission after the

23 date of enactment of this Act, the Inspector General of

24 the United States Postal Service shall have all of the au-

25 thorities and responsibilities provided by the Inspector

1 General Act of 1978 (5 U.S.C. App.) with respect to the  
2 Postal Regulatory Commission on the day before the date  
3 of enactment of this Act, as if the Postal Regulatory Com-  
4 mission were part of the United States Postal Service.

5 (c) TRANSFER OF PERSONNEL.—

6 (1) OFFICE OF THE INSPECTOR GENERAL OF  
7 THE UNITED STATES POSTAL SERVICE.—The per-  
8 sonnel employed in the Office of the Inspector Gen-  
9 eral of the United States Postal Service are trans-  
10 ferred to the Office of the Inspector General of the  
11 United States Postal Service and the Postal Regu-  
12 latory Commission.

13 (2) OFFICE OF THE INSPECTOR GENERAL OF  
14 THE POSTAL REGULATORY COMMISSION.—The per-  
15 sonnel employed in the Office of the Inspector Gen-  
16 eral of the Postal Regulatory Commission may be  
17 transferred to the other offices of the Postal Regu-  
18 latory Commission.

19 (3) MODERN SERVICE AND PERFORMANCE  
20 STANDARDS.—Any unobligated amounts made avail-  
21 able to carry out the functions of the Office of the  
22 Inspector General of the Postal Regulatory Commis-  
23 sion before the date of enactment of this Act shall  
24 be used to establish and revise modern service stand-  
25 ards and record performance ratings under section

1 3691 of title 39, United States Code, as added by  
2 section 205(a) of this Act.

3 (4) EFFECT.—During the 1-year period begin-  
4 ning on the date of enactment of this Act, any full-  
5 time or part-time employee who, on the day before  
6 such date of enactment, was employed in a perma-  
7 nent position in the Office of the Inspector General  
8 of the Postal Regulatory Commission, shall not be  
9 separated or reduced in grade or compensation be-  
10 cause of the transfer under an amendment made by  
11 this section.

12 (d) TECHNICAL AND CONFORMING AMENDMENTS.—

13 (1) TITLE 39, UNITED STATES CODE.—Title 39,  
14 United States Code, is amended—

15 (A) in section 102(4), by striking “section  
16 202(e) of this title” and inserting “section  
17 8G(f)(1)(B) of the Inspector General Act of  
18 1978 (5 U.S.C. App.)”;

19 (B) in section 202, by striking subsection  
20 (e);

21 (C) in section 504, by striking subsection  
22 (h);

23 (D) in section 1001(b), in the first sen-  
24 tence, by inserting “, and section 8G(f)(1)(B)

1 of the Inspector General Act of 1978 (5 U.S.C.  
2 App.)” after “1001(c) of this title”;

3 (E) in section 1003(b), by striking “11(2)”  
4 and inserting “12(2)”;

5 (F) in section 1005(a)(3), by inserting “,  
6 and section 8G(f)(1)(B) of the Inspector Gen-  
7 eral Act of 1978 (5 U.S.C. App.)” after  
8 “1001(c) of this title”;

9 (G) in section 2009, by inserting “and the  
10 Postal Regulatory Commission” after “United  
11 States Postal Service”; and

12 (H) in section 2011(h)(2)(D), by inserting  
13 “and the Postal Regulatory Commission” after  
14 “United States Postal Service”.

15 (2) TITLE 5, UNITED STATES CODE.—Section  
16 8153(e)(2)(C)(ii) of title 5, United States Code, as  
17 added by section 512(a) of this Act, is amended by  
18 striking “Inspector General of the United States  
19 Postal Service” and inserting “Inspector General of  
20 the United States Postal Service and the Postal  
21 Regulatory Commission”.

22 (3) OMNIBUS CONSOLIDATED APPROPRIATIONS  
23 ACT, 1997.—Section 662(d) of the Omnibus Consoli-  
24 dated Appropriations Act, 1997 (39 U.S.C. 2802  
25 note) is amended—

1 (A) in paragraph (1)—

2 (i) in the paragraph heading, by in-  
3 sserting “AND THE POSTAL REGULATORY  
4 COMMISSION” after “POSTAL SERVICE”;

5 (ii) in subparagraph (A), by inserting  
6 “and the Postal Regulatory Commission”  
7 after “Postal Service”; and

8 (iii) in subparagraph (B)(i), by insert-  
9 ing “and the Postal Regulatory Commis-  
10 sion” after “Postal Service”; and

11 (B) in the first sentence of paragraph (2),  
12 by inserting “and the Postal Regulatory Com-  
13 mission” after “Postal Service”.

14 (e) SAVINGS PROVISIONS.—

15 (1) SUITS.—The provisions of this Act shall not  
16 affect suits commenced before the effective date of  
17 this Act, and in all such suits, proceeding shall be  
18 had, appeals taken, and judgments rendered in the  
19 same manner and with the same effect as if this Act  
20 had not been enacted.

21 (2) NONABATEMENT OF ACTIONS.—No suit, ac-  
22 tion, or other proceeding commenced by or against  
23 the Inspector General of the United States Postal  
24 Service or the Inspector General of the Postal Regu-  
25 latory Commission, or by or against any individual

1 in the official capacity of such individual as an offi-  
2 cer of the Office of the Inspector General of the  
3 United States Postal Service or the Office of the In-  
4 spector General of the Postal Regulatory Commis-  
5 sion shall abate by reason of the enactment of this  
6 Act.

7 (3) CONTINUANCE OF SUITS.—If, before the ef-  
8 fective date of this Act, the Office of the Inspector  
9 General of the United States Postal Service or the  
10 Office of the Inspector General of the Postal Regu-  
11 latory Commission or officer thereof in the official  
12 capacity of such officer, is party to a suit, and under  
13 this Act any function of the Office of the Inspector  
14 General of the United States Postal Service or the  
15 Office of the Inspector General of the Postal Regu-  
16 latory Commission or officer is transferred to the In-  
17 spector General of the United States Postal Service  
18 and the Postal Regulatory Commission or any other  
19 official of the Office of the Inspector General of the  
20 United States Postal Service and the Postal Regu-  
21 latory Commission, then such suit shall be continued  
22 with the Inspector General of the United States  
23 Postal Service and the Postal Regulatory Commis-  
24 sion or other appropriate official of the Office of the  
25 Inspector General of the United States Postal Serv-

1 ice and the Postal Regulatory Commission sub-  
2 stituted or added as a party.

3 (f) APPLICABILITY.—

4 (1) IN GENERAL.—Except with respect to the  
5 amendment made by subsection (a)(1)(A) relating to  
6 the Postal Regulatory Commission and the amend-  
7 ment made by subsection (d)(1)(C), the amendments  
8 made by this section shall apply with respect to the  
9 first individual appointed as Inspector General of  
10 the United States Postal Service and the Postal  
11 Regulatory Commission after the date of enactment  
12 of this Act.

13 (2) RULE OF CONSTRUCTION.—Nothing in this  
14 Act may be construed to alter the authority or the  
15 length of the term of the individual serving as In-  
16 spector General of the United States Postal Service  
17 on the date of enactment of this Act.

18 (g) REFERENCES IN THIS ACT TO THE INSPECTOR  
19 GENERAL OF THE UNITED STATES POSTAL SERVICE.—

20 On and after the date on which the first individual is ap-  
21 pointed as Inspector General of the United States Postal  
22 Service and the Postal Regulatory Commission after the  
23 date of enactment of this Act, each reference in sections  
24 107(b), 203(c)(1), 303(d)(1), 406, and 408 of this Act  
25 to the Inspector General of the United States Postal Serv-

1 ice shall be deemed to be a reference to the Inspector Gen-  
2 eral of the United States Postal Service and the Postal  
3 Regulatory Commission.

4 (h) RESOURCES FOR WASTE, FRAUD, AND ABUSE  
5 INVESTIGATIONS.—

6 (1) IN GENERAL.—Chapter 4 of title 39, United  
7 States Code, is amended by adding at the end the  
8 following:

9 **“§ 417. Waste, fraud, and abuse investigations**

10 “The Postal Service may transfer such resources to  
11 the Inspector General for waste, fraud, and abuse inves-  
12 tigation as the Postal Service determines necessary.”.

13 (2) TECHNICAL AND CONFORMING AMEND-  
14 MENT.—The table of sections for chapter 4 of title  
15 39, United States Code, is amended by adding at  
16 the end the following:

“417. Waste, fraud, and abuse investigations.”.

17 **SEC. 406. GAO REPORT ON FRAGMENTATION, OVERLAP,**  
18 **AND DUPLICATION IN FEDERAL PROGRAMS**  
19 **AND ACTIVITIES.**

20 The Comptroller General of the United States shall  
21 include in the annual report to Congress required under  
22 section 21 of the Joint Resolution entitled “Joint Resolu-  
23 tion increasing the statutory limit on the public debt”, ap-  
24 proved February 12, 2010 (31 U.S.C. 712 note) that is  
25 applicable to the first year beginning after the date of en-

1 actment of this Act a review of the duplication of services  
2 and functions between the Office of the Inspector General  
3 of the United States Postal Service, the Postal Inspection  
4 Service, and any other Federal agency.

5 **SEC. 407. POSTAL SERVICES FOR MARKET-DOMINANT**  
6 **PRODUCTS.**

7 (a) IN GENERAL.—Chapter 36 of title 39, United  
8 States Code, is amended by striking section 3661 and in-  
9 serting the following:

10 **“§ 3661. Postal services for market-dominant prod-**  
11 **ucts**

12 “(a) GENERAL OBLIGATION.—The Postal Service  
13 shall develop and promote adequate and efficient postal  
14 services with respect to its market-dominant products.

15 “(b) PROPOSED CHANGES FOR MARKET-DOMINANT  
16 PRODUCTS.—

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

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

4                   “(A) provide notice and an opportunity for  
5           public comment and a public hearing on the  
6           proposal; and

7                   “(B) issue an advisory opinion not later  
8           than—

9                           “(i) 90 days after the date on which  
10           the Postal Regulatory Commission receives  
11           the proposal; or

12                           “(ii) a date that the Postal Regu-  
13           latory Commission and the Postal Service  
14           may determine jointly.

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

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

23                   “(B) for any matter that the Postal Serv-  
24           ice determines not to address and any rec-  
25           ommendation that the Postal Service deter-

1           mines not to implement, the reasons for the de-  
2           termination.

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

6                   “(A) on or after the date on which the  
7           Postal Service submits the response required  
8           under paragraph (3);

9                   “(B) on or after a date that the Postal  
10          Regulatory Commission and the Postal Service  
11          may determine jointly; or

12                   “(C) after the date described in paragraph  
13          (2)(B), if—

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

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

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

24           “(c) LIMITATION.—



1 (B) the security of mail cover documents  
2 and information;

3 (C) the handling of accountable docu-  
4 ments; and

5 (D) compliance with mail cover procedures;

6 (2) a validation of internal and external mail  
7 cover request statistics provided by the United  
8 States Postal Inspection Service;

9 (3) recommendations to address deficiencies  
10 and improve the mail covers program; and

11 (4) consideration of any civil liberty and privacy  
12 issues raised regarding the mail covers program.

13 (b) SUBMISSION OF STATISTICS.—Not later than No-  
14 vember 1 of each year, the Chief Postal Inspector shall  
15 submit to the Inspector General of the Postal Service all  
16 statistics regarding the mail covers program of the United  
17 States Postal Inspection Service, including the number of  
18 external and internal requests, approvals, and processing  
19 time data.

20 (c) REPORT.—The Inspector General of the Postal  
21 Service shall submit to the Committee on Homeland Secu-  
22 rity and Governmental Affairs of the Senate and the Com-  
23 mittee on Oversight and Government Reform of the House  
24 of Representatives an annual report that contains the

1 findings of each assessment conducted under subsection  
2 (a).

3 **SEC. 409. CONTRACT DISPUTES.**

4 Section 7101(8) of title 41, United States Code, is  
5 amended—

6 (1) in subparagraph (C), by striking “and” at  
7 the end;

8 (2) in subparagraph (D), by striking the period  
9 at the end and inserting “; and”; and

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

11 “(E) the United States Postal Service and  
12 the Postal Regulatory Commission.”.

13 **SEC. 410. CONTRACTING PROVISIONS.**

14 (a) IN GENERAL.—Part I of title 39, United States  
15 Code, is amended by adding at the end the following:

16 **“CHAPTER 7—CONTRACTING PROVISIONS**

“Sec.

“701. Definitions.

“702. Advocate for competition.

“703. Delegation of contracting authority.

“704. Posting of noncompetitive purchase requests for noncompetitive contracts.

“705. Review of ethical issues.

“706. Ethical restrictions on participation in certain contracting activity.

“707. Congressional oversight authority.

17 **“§ 701. Definitions**

18 “In this chapter—

19 “(1) the term ‘contracting officer’ means an  
20 employee of a covered postal entity who has author-  
21 ity to enter into a postal contract;

- 1           “(2) the term ‘covered postal entity’ means—  
2                   “(A) the Postal Service; or  
3                   “(B) the Postal Regulatory Commission;  
4           “(3) the term ‘head of a covered postal entity’  
5 means—  
6                   “(A) in the case of the Postal Service, the  
7 Postmaster General; or  
8                   “(B) in the case of the Postal Regulatory  
9 Commission, the Chairman of the Postal Regu-  
10 latory Commission;  
11           “(4) the term ‘postal contract’ means any con-  
12 tract (including any agreement or memorandum of  
13 understanding) entered into by a covered postal enti-  
14 ty for the procurement of goods or services; and  
15           “(5) the term ‘senior procurement executive’  
16 means the senior procurement executive of a covered  
17 postal entity.

18 **“§ 702. Advocate for competition**

- 19           “(a) ESTABLISHMENT AND DESIGNATION.—  
20                   “(1) ESTABLISHMENT.—There is established in  
21 each covered postal entity an advocate for competi-  
22 tion.  
23                   “(2) DESIGNATION.—The head of each covered  
24 postal entity shall designate for the covered postal  
25 entity 1 or more officers or employees (other than

1 the senior procurement executive) to serve as the ad-  
2 vocate for competition.

3 “(b) RESPONSIBILITIES.—The advocate for competi-  
4 tion of each covered postal entity shall—

5 “(1) be responsible for promoting competition  
6 to the maximum extent practicable consistent with  
7 obtaining best value by promoting the acquisition of  
8 commercial items and challenging barriers to com-  
9 petition;

10 “(2) review the procurement activities of the  
11 covered postal entity; and

12 “(3) prepare and transmit to the head of each  
13 covered postal entity, the senior procurement execu-  
14 tive of each covered postal entity, the Board of Gov-  
15 ernors, and Congress, an annual report describing—

16 “(A) the activities of the advocate under  
17 this section;

18 “(B) initiatives required to promote com-  
19 petition;

20 “(C) barriers to competition that remain;  
21 and

22 “(D) the number of waivers made by each  
23 covered postal entity under section 704(c).

24 **“§ 703. Delegation of contracting authority**

25 “(a) IN GENERAL.—

1           “(1) POLICY.—Not later than 60 days after the  
2           date of enactment of the Improving Postal Oper-  
3           ations, Service, and Transparency Act of 2015, the  
4           head of each covered postal entity shall issue a pol-  
5           icy on contracting officer delegations of authority for  
6           the covered postal entity.

7           “(2) CONTENTS.—The policy issued under  
8           paragraph (1) shall require that—

9                   “(A) notwithstanding any delegation of au-  
10                  thority with respect to postal contracts, the ulti-  
11                  mate responsibility and accountability for the  
12                  award and administration of postal contracts  
13                  resides with the senior procurement executive;  
14                  and

15                   “(B) a contracting officer shall maintain  
16                  an awareness of and engagement in the activi-  
17                  ties being performed on postal contracts of  
18                  which that officer has cognizance, notwith-  
19                  standing any delegation of authority that may  
20                  have been executed.

21           “(b) POSTING OF DELEGATIONS.—

22                   “(1) IN GENERAL.—The head of each covered  
23                  postal entity shall make any delegation of authority  
24                  for postal contracts outside the functional con-

1       tracting unit readily available and accessible on the  
2       website of the covered postal entity.

3               “(2) EFFECTIVE DATE.—This paragraph shall  
4       apply to any delegation of authority made on or  
5       after 30 days after the date of enactment of the Im-  
6       proving Postal Operations, Service, and Trans-  
7       parency Act of 2015.

8       **“§ 704. Posting of noncompetitive purchase requests**  
9               **for noncompetitive contracts**

10       “(a) POSTING REQUIRED.—

11               “(1) POSTAL REGULATORY COMMISSION.—The  
12       Postal Regulatory Commission shall make the non-  
13       competitive purchase request for any noncompetitive  
14       award, including the rationale supporting the non-  
15       competitive award, publicly available on the website  
16       of the Postal Regulatory Commission—

17               “(A) not later than 14 days after the date  
18       of the award of the noncompetitive contract; or

19               “(B) not later than 30 days after the date  
20       of the award of the noncompetitive contract, if  
21       the basis for the award was a compelling busi-  
22       ness interest.

23               “(2) POSTAL SERVICE.—The Postal Service  
24       shall make the noncompetitive purchase request for  
25       any noncompetitive award of a postal contract val-

1 ued at \$250,000 or more, including the rationale  
2 supporting the noncompetitive award, publicly avail-  
3 able on the website of the Postal Service—

4 “(A) not later than 14 days after the date  
5 of the award; or

6 “(B) not later than 30 days after the date  
7 of the award, if the basis for the award was a  
8 compelling business interest.

9 “(3) ADJUSTMENTS TO THE POSTING THRESH-  
10 OLD FOR THE POSTAL SERVICE.—

11 “(A) REVIEW AND DETERMINATION.—Not  
12 later than January 31 of each year, the Postal  
13 Service shall—

14 “(i) review the \$250,000 threshold es-  
15 tablished under paragraph (2); and

16 “(ii) based on any change in the Con-  
17 sumer Price Index for all-urban consumers  
18 of the Department of Labor, determine  
19 whether an adjustment to the threshold  
20 shall be made.

21 “(B) AMOUNT OF ADJUSTMENTS.—An ad-  
22 justment under subparagraph (A) shall be made  
23 in increments of \$5,000. If the Postal Service  
24 determines that a change in the Consumer  
25 Price Index for a year would require an adjust-

1           ment in an amount that is less than \$5,000, the  
2           Postal Service may not make an adjustment to  
3           the threshold for the year.

4           “(4) EFFECTIVE DATE.—This subsection shall  
5           apply to any noncompetitive contract awarded on or  
6           after the date that is 90 days after the date of en-  
7           actment of the Improving Postal Operations, Serv-  
8           ice, and Transparency Act of 2015.

9           “(b) PUBLIC AVAILABILITY.—

10           “(1) IN GENERAL.—Subject to paragraph (2),  
11           the information required to be made publicly avail-  
12           able by a covered postal entity under subsection (a)  
13           shall be readily accessible on the website of the cov-  
14           ered postal entity.

15           “(2) PROTECTION OF PROPRIETARY INFORMA-  
16           TION.—A covered postal entity shall—

17           “(A) carefully screen any description of the  
18           rationale supporting a noncompetitive award re-  
19           quired to be made publicly available under sub-  
20           section (a) to determine whether the description  
21           includes proprietary data (including any ref-  
22           erence or citation to the proprietary data) or se-  
23           curity-related information; and

24           “(B) remove any proprietary data or secu-  
25           rity-related information before making publicly

1           available a description of the rational sup-  
2           porting a noncompetitive award.

3           “(c) WAIVERS.—

4           “(1) WAIVER PERMITTED.—If a covered postal  
5           entity determines that making a noncompetitive pur-  
6           chase request publicly available would risk placing  
7           the Postal Service at a competitive disadvantage rel-  
8           ative to a private sector competitor, the senior pro-  
9           curement executive, in consultation with the advo-  
10          cate for competition of the covered postal entity,  
11          may waive the requirements under subsection (a).

12          “(2) FORM AND CONTENT OF WAIVER.—

13           “(A) FORM.—A waiver under paragraph  
14           (1) shall be in the form of a written determina-  
15           tion placed in the file of the contract to which  
16           the noncompetitive purchase agreement relates.

17           “(B) CONTENT.—A waiver under para-  
18           graph (1) shall include—

19           “(i) a description of the risk associ-  
20           ated with making the noncompetitive pur-  
21           chase request publicly available; and

22           “(ii) a statement that redaction of  
23           sensitive information in the noncompetitive  
24           purchase request would not be sufficient to  
25           protect the Postal Service from being

1 placed at a competitive disadvantage rel-  
2 ative to a private sector competitor.

3 “(3) DELEGATION OF WAIVER AUTHORITY.—A  
4 covered postal entity may not delegate the authority  
5 to approve a waiver under paragraph (1) to any em-  
6 ployee having less authority than the senior procure-  
7 ment executive.

8 **“§ 705. Review of ethical issues**

9 “If a contracting officer identifies any ethical issues  
10 relating to a proposed contract and submits those issues  
11 and that proposed contract to the designated ethics official  
12 for the covered postal entity before the awarding of that  
13 contract, that ethics official shall—

14 “(1) review the proposed contract; and

15 “(2) advise the contracting officer on the appro-  
16 priate resolution of ethical issues.

17 **“§ 706. Ethical restrictions on participation in certain**  
18 **contracting activity**

19 “(a) DEFINITIONS.—In this section—

20 “(1) the term ‘covered employee’ means—

21 “(A) a contracting officer; or

22 “(B) any employee of a covered postal en-  
23 tity whose decisionmaking affects a postal con-  
24 tract as determined by regulations prescribed  
25 by the head of a covered postal entity;

1           “(2) the term ‘covered relationship’ means a  
2 covered relationship described in section  
3 2635.502(b)(1) of title 5, Code of Federal Regula-  
4 tions, or any successor thereto; and

5           “(3) the term ‘final conviction’ means a convic-  
6 tion, whether entered on a verdict or plea, including  
7 a plea of nolo contendere, for which a sentence has  
8 been imposed.

9           “(b) IN GENERAL.—

10           “(1) REGULATIONS.—The head of each covered  
11 postal entity shall prescribe regulations that—

12           “(A) require a covered employee to include  
13 in the file of any noncompetitive purchase re-  
14 quest for a noncompetitive postal contract a  
15 written certification that—

16           “(i) discloses any covered relationship  
17 of the covered employee; and

18           “(ii) the covered employee will not  
19 take any action with respect to the non-  
20 competitive purchase request that affects  
21 the financial interests of a friend, relative,  
22 or person with whom the covered employee  
23 is affiliated in a nongovernmental capacity,  
24 or otherwise gives rise to an appearance of  
25 the use of public office for private gain, as

1 described in section 2635.702 of title 5,  
2 Code of Federal Regulations, or any suc-  
3 cessor thereto;

4 “(B) require a contracting officer to con-  
5 sult with the ethics counsel for the covered  
6 postal entity regarding any disclosure made by  
7 a covered employee under subparagraph (A)(i),  
8 to determine whether participation by the cov-  
9 ered employee in the noncompetitive purchase  
10 request would give rise to a violation of part  
11 2635 of title 5, Code of Federal Regulations  
12 (commonly referred to as the ‘Standards of  
13 Ethical Conduct for Employees of the Executive  
14 Branch’);

15 “(C) require the ethics counsel for a cov-  
16 ered postal entity to review any disclosure made  
17 by a contracting officer under subparagraph  
18 (A)(i) to determine whether participation by the  
19 contracting officer in the noncompetitive pur-  
20 chase request would give rise to a violation of  
21 part 2635 of title 5, Code of Federal Regula-  
22 tions (commonly referred to as the ‘Standards  
23 of Ethical Conduct for Employees of the Execu-  
24 tive Branch’), or any successor thereto;

1           “(D) under subsections (d) and (e) of sec-  
2           tion 2635.50 of title 5, Code of Federal Regula-  
3           tions, or any successor thereto, require the eth-  
4           ics counsel for a covered postal entity to—

5                   “(i) authorize a covered employee that  
6                   makes a disclosure under subparagraph  
7                   (A)(i) to participate in the noncompetitive  
8                   postal contract; or

9                   “(ii) disqualify a covered employee  
10                  that makes a disclosure under subpara-  
11                  graph (A)(i) from participating in the non-  
12                  competitive postal contract;

13                  “(E) require a contractor to timely disclose  
14                  to the contracting officer in a bid, solicitation,  
15                  award, or performance of a postal contract any  
16                  conflict of interest with a covered employee; and

17                  “(F) include authority for the head of the  
18                  covered postal entity to a grant a waiver or oth-  
19                  erwise mitigate any organizational or personal  
20                  conflict of interest, if the head of the covered  
21                  postal entity determines that the waiver or miti-  
22                  gation is in the best interests of the Postal  
23                  Service.

24                  “(2) POSTING OF WAIVERS.—Not later than 30  
25                  days after the head of a covered postal entity grants

1 a waiver described in paragraph (1)(F), the head of  
2 the covered postal entity shall make the waiver pub-  
3 licly available on the website of the covered postal  
4 entity.

5 “(c) CONTRACT VOIDANCE AND RECOVERY.—

6 “(1) UNLAWFUL CONDUCT.—In any case in  
7 which there is a final conviction for a violation of  
8 any provision of chapter 11 of title 18 relating to a  
9 postal contract, the head of a covered postal entity  
10 may—

11 “(A) void that contract; and

12 “(B) recover the amounts expended and  
13 property transferred by the covered postal enti-  
14 ty under that contract.

15 “(2) OBTAINING OR DISCLOSING PROCUREMENT  
16 INFORMATION.—

17 “(A) IN GENERAL.—In any case where a  
18 contractor under a postal contract fails to time-  
19 ly disclose a conflict of interest to the appro-  
20 priate contracting officer as required under the  
21 regulations promulgated under subsection  
22 (b)(1)(D), the head of a covered postal entity  
23 may—

24 “(i) void that contract; and

1                   “(ii) recover the amounts expended  
 2                   and property transferred by the covered  
 3                   postal entity under that contract.

4                   “(B) CONVICTION OR ADMINISTRATIVE DE-  
 5                   TERMINATION.—A case described under sub-  
 6                   paragraph (A) is any case in which—

7                   “(i) there is a final conviction for an  
 8                   offense punishable under section 27(e) of  
 9                   the Office of Federal Procurement Policy  
 10                  Act (41 U.S.C. 423(e)); or

11                  “(ii) the head of a covered postal enti-  
 12                  ty determines, based upon a preponderance  
 13                  of the evidence, that the contractor or  
 14                  someone acting for the contractor has en-  
 15                  gaged in conduct constituting an offense  
 16                  punishable under section 27(e) of that Act.

17 **“§ 707. Congressional oversight authority**

18                  “The Postal Service may not enter into any contract  
 19 that restricts the ability of Congress to exercise oversight  
 20 authority.”.

21                  (b) TECHNICAL AND CONFORMING AMENDMENT.—  
 22 The table of chapters for part I of title 39, United States  
 23 Code, is amended by adding at the end the following:

“7. Contracting Provisions ..... 701”.

1 **TITLE V—FEDERAL EMPLOYEES’**  
2 **COMPENSATION ACT**

3 **SEC. 501. SHORT TITLE; REFERENCES.**

4 (a) **SHORT TITLE.**—This title may be cited as the  
5 “Workers’ Compensation Reform Act of 2015”.

6 (b) **REFERENCES.**—Except as otherwise expressly  
7 provided, whenever in this title an amendment or repeal  
8 is expressed in terms of an amendment to, or a repeal  
9 of, a section or other provision, the reference shall be con-  
10 sidered to be made to a section or other provision of title  
11 5, United States Code.

12 **SEC. 502. FEDERAL WORKERS COMPENSATION REFORMS**  
13 **FOR RETIREMENT-AGE EMPLOYEES.**

14 (a) **CONVERSION OF ENTITLEMENT AT RETIREMENT**  
15 **AGE.**—

16 (1) **DEFINITIONS.**—Section 8101 is amended—

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

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

21 (C) in paragraph (20), by striking the pe-  
22 riod at the end and inserting “; and”; and

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

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

4           (2) TOTAL DISABILITY.—Section 8105 is  
5           amended—

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

9                   (B) by redesignating subsection (b) as sub-  
10                  section (c);

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

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

15                   “(1) IN GENERAL.—Except as provided in para-  
16                   graph (2), the basic compensation for total disability  
17                   for an employee who has attained retirement age  
18                   shall be 50 percent of the monthly pay of the em-  
19                   ployee.

20                   “(2) EXCEPTIONS FOR EXISTING RECIPIENTS  
21                   AND RECIPIENTS WITH EXEMPT DISABILITY CONDI-  
22                   TION OR FACING FINANCIAL HARDSHIP.—Paragraph  
23                   (1) shall not apply to a claim for total disability by  
24                   an employee—

1           “(A) resulting from personal injury sus-  
2           tained before the date of enactment of the  
3           Workers’ Compensation Reform Act of 2015; or

4           “(B) who is a member of a household that  
5           would meet the income and assets requirements  
6           for eligibility for the supplemental nutrition as-  
7           sistance program as described in section 5 of  
8           the Food and Nutrition Act of 2008 (7 U.S.C.  
9           2014) (not including any provisions permitting  
10          eligibility due to benefits received under any  
11          other law) if the basic compensation for total  
12          disability of the employee were provided in ac-  
13          cordance with paragraph (1).”; and

14          (D) in subsection (c), as so redesignated,  
15          by inserting “PRIMA FACIE PERMANENT  
16          TOTAL DISABILITY.—” before “The loss”.

17          (3) PARTIAL DISABILITY.—Section 8106 is  
18          amended—

19                 (A) in subsection (a), by striking “If” and  
20                 inserting “IN GENERAL.—Subject to subsection  
21                 (b), if”;

22                 (B) by redesignating subsections (b) and  
23                 (c) as subsections (c) and (d), respectively;

24                 (C) by inserting after subsection (a) the  
25                 following:

1           “(b) CONVERSION OF ENTITLEMENT AT RETIRE-  
2   MENT AGE.—

3           “(1) IN GENERAL.—Except as provided in para-  
4   graph (2), the basic compensation for partial dis-  
5   ability for an employee who has attained retirement  
6   age shall be 50 percent of the difference between the  
7   monthly pay of the employee and the monthly wage-  
8   earning capacity of the employee after the beginning  
9   of the partial disability.

10           “(2) EXCEPTIONS FOR EXISTING RECIPIENTS  
11   AND RECIPIENTS FACING FINANCIAL HARDSHIP.—  
12   Paragraph (1) shall not apply to a claim for partial  
13   disability by an employee—

14           “(A) resulting from personal injury sus-  
15   tained before the date of enactment of the  
16   Workers’ Compensation Reform Act of 2015; or

17           “(B) who is a member of a household that  
18   would meet the income and assets requirements  
19   for eligibility for the supplemental nutrition as-  
20   sistance program as described in section 5 of  
21   the Food and Nutrition Act of 2008 (7 U.S.C.  
22   2014) (not including any provisions permitting  
23   eligibility due to benefits received under any  
24   other law) if the basic compensation for total

1 disability of the employee were provided in ac-  
2 cordance with paragraph (1).”;

3 (D) in subsection (c), as so redesignated,  
4 by inserting “REPORTING.—” before “The Sec-  
5 retary of Labor”; and

6 (E) in subsection (d), as so redesignated,  
7 by inserting “EXCLUSIONS.—” before “A par-  
8 tially disabled employee”.

9 **SEC. 503. AUGMENTED COMPENSATION FOR DEPENDENTS.**

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

11 (1) in subsection (a), by inserting “DEFINI-  
12 TION.—” before “For the purpose”;

13 (2) by redesignating subsection (b) as sub-  
14 section (c);

15 (3) by inserting after subsection (a) the fol-  
16 lowing:

17 “(b) TERMINATION OF AUGMENTED COMPENSA-  
18 TION.—

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

22 “(2) EXCEPTION.—Augmented compensation  
23 shall be provided in accordance with subsection (c)  
24 to an employee for a claim for disability (including  
25 a claim for a permanent disability described in sec-

1       tion 8107(a)) by an employee resulting from per-  
2       sonal injury sustained before the date of enactment  
3       of the Workers' Compensation Reform Act of  
4       2015.”; and

5           (4) in subsection (c), as so redesignated, by in-  
6       serting “AUGMENTED COMPENSATION FOR EXIST-  
7       ING CLAIMS.—” before “A disabled employee”.

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

10           (1) in subsection (a)—

11               (A) by striking “Except as provided by  
12               section 8138” and inserting “IN GENERAL.—  
13               Except as provided by subsections (b) and (c)  
14               and section 8138”;

15               (B) by striking “including augmented com-  
16               pensation under section 8110 of this title but”;  
17               and

18               (C) by striking “75 percent” each place it  
19               appears and inserting “66<sup>2</sup>/<sub>3</sub> percent”;

20           (2) by redesignating subsection (b) as sub-  
21       section (c);

22           (3) by inserting after subsection (a) the fol-  
23       lowing:

24       “(b) EXCEPTIONS.—With respect to claims for dis-  
25       ability by an employee resulting from personal injury sus-

1 tained before the date of enactment of the Workers' Com-  
2 pensation Reform Act of 2015—

3 “(1) the monthly rate of compensation for dis-  
4 ability that is subject to the maximum and minimum  
5 monthly amounts under subsection (a) shall include  
6 any augmented compensation under section 8110;  
7 and

8 “(2) subsection (a) shall be applied by sub-  
9 stituting ‘75 percent’ for ‘66 $\frac{2}{3}$  percent’ each place  
10 it appears.”; and

11 (4) in subsection (c), as so redesignated—

12 (A) by inserting “EXCLUSION.—” before  
13 “The provisions”; and

14 (B) by striking “subsection (a)” and in-  
15 serting “subsections (a) and (b)”.

16 (c) DEATH BENEFITS GENERALLY.—Section 8133 is  
17 amended—

18 (1) in subsection (a)—

19 (A) by inserting “IN GENERAL.—” before  
20 “If death results”; and

21 (B) by striking “75 percent” each place it  
22 appears and inserting “66  $\frac{2}{3}$  percent (except as  
23 provided in subsection (g))”;

1           (2) in subsection (b), by inserting “PERIOD OF  
2           COMPENSATION.—” before “The compensation pay-  
3           able”;

4           (3) in subsection (c), by inserting “COMPENSA-  
5           TION OF REMAINING INDIVIDUALS.—” before “On  
6           the cessation”;

7           (4) in subsection (d), by inserting “MULTIPLE  
8           CLASSES OF INDIVIDUALS.—” before “When there  
9           are two or more”;

10          (5) in subsection (e)—

11                (A) by inserting “COMPUTATION.—” be-  
12                fore “In computing compensation”; and

13                (B) in paragraph (2), by striking “75 per-  
14                cent” and inserting “66  $\frac{2}{3}$  percent (except as  
15                provided in subsection (g))”;

16          (6) in subsection (f), by inserting “OTHER  
17           COSTS.—” before “Notwithstanding”; and

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

19           “(g) EXISTING CLAIMS.—If the death occurred be-  
20           fore the date of enactment of the Workers’ Compensation  
21           Reform Act of 2015, subsections (a) and (e) shall be ap-  
22           plied by substituting ‘75 percent’ for ‘66 $\frac{2}{3}$  percent’ each  
23           place it appears.”.

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

1 (1) in subsection (a), by inserting “IN GEN-  
2 ERAL.—” before “Subject to the provisions”;

3 (2) in subsection (b)—

4 (A) by inserting “ADMINISTRATION.—” be-  
5 fore “In administering”; and

6 (B) in paragraph (2)(B) by striking “75  
7 percent” and inserting “66<sup>2</sup>/<sub>3</sub> percent (except as  
8 provided in subsection (c))”;

9 (3) by redesignating subsection (c) as sub-  
10 section (d);

11 (4) by inserting after subsection (b) the fol-  
12 lowing:

13 “(c) EXISTING CLAIMS.—If the death occurred before  
14 the date of enactment of the Workers’ Compensation Re-  
15 form Act of 2015, subsection (b)(2)(B) shall be applied  
16 by substituting ‘75 percent’ for ‘66<sup>2</sup>/<sub>3</sub> percent.’”; and

17 (5) in subsection (d), as so redesignated, by in-  
18 serting “COORDINATION WITH AIR FORCE.—” be-  
19 fore “The Secretary of Labor”.

20 **SEC. 504. SCHEDULE COMPENSATION PAYMENTS.**

21 Section 8107 is amended—

22 (1) in subsection (a)—

23 (A) by inserting “IN GENERAL.—” before  
24 “If there is”; and

1 (B) by striking “at the rate of  $66\frac{2}{3}$  per-  
2 cent of his monthly pay” and inserting “at the  
3 rate specified under subsection (d)”;

4 (2) in subsection (b), by inserting “OTHER  
5 COMPENSATION.—” before “With respect to”;

6 (3) in subsection (c), by inserting “SCHED-  
7 ULE.—” before “The compensation schedule”; and

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

9 “(d) RATE FOR COMPENSATION.—

10 “(1) ANNUAL SALARY.—

11 “(A) IN GENERAL.—Except as provided in  
12 paragraph (2), the rate under subsection (a)  
13 shall be the rate of  $66\frac{2}{3}$  percent of the annual  
14 salary level established under subparagraph  
15 (B), in a lump sum equal to the present value  
16 (as calculated under subparagraph (C)) of the  
17 amount of compensation payable under the  
18 schedule.

19 “(B) ESTABLISHMENT.—

20 “(i) IN GENERAL.—The Secretary of  
21 Labor shall establish an annual salary for  
22 purposes of subparagraph (A) in the  
23 amount the Secretary determines will re-  
24 sult in the aggregate cost of payments  
25 made under this section being equal to

1           what would have been the aggregate cost  
2           of payments under this section if the  
3           amendments made by section 504 of the  
4           Workers' Compensation Reform Act of  
5           2015 had not been enacted.

6           “(ii) COST OF LIVING ADJUSTMENT.—  
7           The annual salary established under clause  
8           (i) shall be increased on March 1 of each  
9           year by the amount determined by the Sec-  
10          retary of Labor to represent the percent  
11          change in the price index published for De-  
12          cember of the preceding year over the price  
13          index published for the December of the  
14          year prior to the preceding year, adjusted  
15          to the nearest one-tenth of 1 percent.

16          “(C) PRESENT VALUE.—The Secretary of  
17          Labor shall calculate the present value for pur-  
18          poses of subparagraph (A) using a rate of inter-  
19          est equal to the average market yield for out-  
20          standing marketable obligations of the United  
21          States with a maturity of 2 years on the first  
22          business day of the month in which the com-  
23          pensation is paid or, in the event that such  
24          marketable obligations are not being issued on  
25          such date, at an equivalent rate selected by the

1 Secretary of Labor, true discount compounded  
2 annually.

3 “(2) CERTAIN INJURIES.—For an injury that  
4 occurred before the date of enactment of the Work-  
5 ers’ Compensation Reform Act of 2015, the rate  
6 under subsection (a) shall be  $66\frac{2}{3}$  percent of the  
7 employee’s monthly pay.

8 “(e) SIMULTANEOUS RECEIPT.—

9 “(1) TOTAL DISABILITY.—An employee who re-  
10 ceives compensation for total disability under section  
11 8105 may only receive the lump sum of schedule  
12 compensation under this section in addition to and  
13 simultaneously with the benefits for total disability  
14 after the date on which the basic compensation for  
15 total disability of the employee becomes 50 percent  
16 of the monthly pay of the employee under section  
17 8105(b).

18 “(2) PARTIAL DISABILITY.—An employee who  
19 receives benefits for partial disability under section  
20 8106 may only receive the lump sum of schedule  
21 compensation under this section in addition to and  
22 simultaneously with the benefits for partial disability  
23 after the date on which the basic compensation for  
24 partial disability of the employee becomes 50 percent  
25 of the difference between the monthly pay of the em-

1        ployee and the monthly wage-earning capacity of the  
2        employee after the beginning of the partial disability  
3        under section 8106(b).”.

4    **SEC. 505. VOCATIONAL REHABILITATION.**

5        (a) IN GENERAL.—Section 8104 is amended—

6            (1) in subsection (a)—

7                    (A) by striking “(a) The Secretary of  
8            Labor may” and all that follows through “un-  
9            dergo vocational rehabilitation.” and inserting  
10           the following:

11        “(a) IN GENERAL.—

12            “(1) DIRECTION.—Except as provided in para-  
13           graph (2), not earlier than the date that is 6 months  
14           after the date on which an individual eligible for  
15           wage-loss compensation under section 8105 or 8106  
16           is injured, or by such other date as the Secretary of  
17           Labor determines it would be reasonable under the  
18           circumstances for the individual to begin vocational  
19           rehabilitation, and if vocational rehabilitation may  
20           enable the individual to become capable of more  
21           gainful employment, the Secretary of Labor shall di-  
22           rect the individual to participate in developing a  
23           comprehensive return to work plan and to undergo  
24           vocational rehabilitation at a location a reasonable  
25           distance from the residence of the individual.”;

1 (B) by striking “the Secretary of Health,  
2 Education, and Welfare in carrying out the pur-  
3 poses of chapter 4 of title 29” and inserting  
4 “the Secretary of Education in carrying out the  
5 purposes of the Rehabilitation Act of 1973 (29  
6 U.S.C. 701 et seq.)”;

7 (C) by striking “under section 32(b)(1) of  
8 title 29” and inserting “under section 5 of the  
9 Rehabilitation Act of 1973 (29 U.S.C. 704)”;  
10 and

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

12 “(2) EXCEPTION.—The Secretary of Labor may  
13 not direct an individual who has attained retirement  
14 age to participate in developing a comprehensive re-  
15 turn to work plan or to undergo vocational rehabili-  
16 tation.”;

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

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

21 “(b) CONTENTS OF RETURN TO WORK PLAN.—A re-  
22 turn to work plan developed under subsection (a)—

23 “(1) shall—

1           “(A) set forth specific measures designed  
2           to increase the wage-earning capacity of an in-  
3           dividual;

4           “(B) take into account the prior training  
5           and education of the individual and the train-  
6           ing, educational, and employment opportunities  
7           reasonably available to the individual; and

8           “(C) provide that any employment under-  
9           taken by the individual under the return to  
10          work plan be at a location a reasonable distance  
11          from the residence of the individual;

12          “(2) may provide that the Secretary will pay  
13          out of amounts in the Employees’ Compensation  
14          Fund reasonable expenses of vocational rehabilita-  
15          tion (which may include tuition, books, training fees,  
16          supplies, equipment, and child or dependent care)  
17          during the course of the plan; and

18          “(3) may not be for a period of more than 2  
19          years, unless the Secretary finds good cause to grant  
20          an extension, which may be for not more than 2  
21          years.”;

22          (4) in subsection (c), as so redesignated—

23                  (A) by inserting “COMPENSATION.—” be-  
24          fore “Notwithstanding”; and

1           (B) by striking “, other than employment  
2           undertaken pursuant to such rehabilitation”;  
3           and

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

5           “(d) ASSISTED REEMPLOYMENT AGREEMENTS.—

6           “(1) IN GENERAL.—The Secretary may enter  
7           into an assisted reemployment agreement with an  
8           agency or instrumentality of any branch of the Fed-  
9           eral Government or a State or local government or  
10          a private employer that employs an individual eligi-  
11          ble for wage-loss compensation under section 8105  
12          or 8106 to enable the individual to return to produc-  
13          tive employment.

14          “(2) CONTENTS.—An assisted reemployment  
15          agreement under paragraph (1)—

16                 “(A) may provide that the Secretary will  
17                 use amounts in the Employees’ Compensation  
18                 Fund to reimburse an employer in an amount  
19                 equal to not more than 100 percent of the com-  
20                 pensation the individual would otherwise receive  
21                 under section 8105 or 8106; and

22                 “(B) may not be for a period of more than  
23                 3 years.

24          “(e) LIST.—To facilitate the hiring of individuals eli-  
25          gible for wage-loss compensation under section 8105 or

1 8106, the Secretary shall provide a list of such individuals  
2 to the Office of Personnel Management, which the Office  
3 of Personnel Management shall provide to all agencies and  
4 instrumentalities of the Federal Government.”.

5 (b) EMPLOYEES’ COMPENSATION FUND.—Section  
6 8147 is amended by adding at the end:

7 “(d) Notwithstanding subsection (b), any benefits or  
8 other payments paid to or on behalf of an employee under  
9 this subchapter or any extension or application thereof for  
10 a recurrence of injury, consequential injury, aggravation  
11 of injury, or increase in percentage of impairment to a  
12 member for which compensation is provided under the  
13 schedule under section 8107 suffered in a permanent posi-  
14 tion with an agency or instrumentality of the United  
15 States while the employment with the agency or instru-  
16 mentality is covered under an assisted reemployment  
17 agreement entered into under section 8104(d) shall not  
18 be included in total cost of benefits and other payments  
19 in the statement provided to the agency or instrumentality  
20 under subsection (b) if the injury was originally incurred  
21 in a position not covered by an assisted reemployment  
22 agreement.”.

23 (c) TERMINATION OF VOCATIONAL REHABILITATION  
24 REQUIREMENT AFTER RETIREMENT AGE.—Section  
25 8113(b) is amended by adding at the end the following:

1 “An individual who has attained retirement age may not  
2 be required to undergo vocational rehabilitation.”.

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

6 (e) TECHNICAL AND CONFORMING AMENDMENTS.—

7 (1) IN GENERAL.—Subchapter III of chapter  
8 15 of title 31, United States Code, is amended by  
9 adding at the end the following:

10 **“§ 1538. Authorization for assisted reemployment**

11 “Funds may be transferred from the Employees’  
12 Compensation Fund established under section 8147 of  
13 title 5 to the applicable appropriations account for an  
14 agency or instrumentality of any branch of the Federal  
15 Government for the purposes of reimbursing the agency  
16 or instrumentality in accordance with an assisted reem-  
17 ployment agreement entered into under section 8104 of  
18 title 5.”.

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

“1538. Authorization for assisted reemployment.”.

23 **SEC. 506. REPORTING REQUIREMENTS.**

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

1 **“§ 8106a. Reporting requirements**

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

4 “(1) is paid compensation under section 8105  
5 or 8106; and

6 “(2) has not attained retirement age.

7 “(b) AUTHORITY.—The Secretary of Labor shall re-  
8 quire an employee receiving compensation to report the  
9 earnings of the employee receiving compensation from em-  
10 ployment or self-employment, by affidavit or otherwise, in  
11 the manner and at the times the Secretary specifies.

12 “(c) CONTENTS.—An employee receiving compensa-  
13 tion shall include in a report required under subsection  
14 (b) the value of housing, board, lodging, and other advan-  
15 tages which are part of the earnings of the employee re-  
16 ceiving compensation in employment or self-employment  
17 and the value of which can be estimated.

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

19 “(1) IN GENERAL.—An employee receiving com-  
20 pensation who fails to make an affidavit or other re-  
21 port required under subsection (b) or who knowingly  
22 omits or understates any part of the earnings of the  
23 employee in such an affidavit or other report shall  
24 forfeit the right to compensation with respect to any  
25 period for which the report was required.

1           “(2) FORFEITED COMPENSATION.—Compensa-  
2           tion forfeited under this subsection, if already paid  
3           to the employee receiving compensation, shall be re-  
4           covered by a deduction from the compensation pay-  
5           able to the employee or otherwise recovered under  
6           section 8129, unless recovery is waived under that  
7           section.”.

8           (b) TECHNICAL AND CONFORMING AMENDMENTS.—  
9           The table of sections for chapter 81 is amended by insert-  
10          ing after the item relating to section 8106 the following:  
        “8106a. Reporting requirements.”.

11 **SEC. 507. DISABILITY MANAGEMENT REVIEW; INDE-**  
12 **PENDENT MEDICAL EXAMINATIONS.**

13          Section 8123 is amended—

14                 (1) in subsection (a), by inserting “IN GEN-  
15                 ERAL.—” before “An employee shall”;

16                 (2) in subsection (b), by inserting “EX-  
17                 PENSES.—” before “An employee is entitled”;

18                 (3) in subsection (c), by inserting “FEES.—”  
19                 before “The Secretary shall”;

20                 (4) in subsection (d), by inserting “REFUSAL  
21                 OR OBSTRUCTION.—” before “If an employee”; and

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

23                 “(e) DISABILITY MANAGEMENT REVIEW.—

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

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

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

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

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

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

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

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

3           “(4) FREQUENCY.—

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

9               “(B) MINIMUM FREQUENCY.—

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

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

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

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

1 disability under section 8105 may at any time  
2 submit a request for the Secretary of Labor to  
3 promptly require the covered employee to sub-  
4 mit to a physical examination under this sub-  
5 section.

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

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

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

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

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

23 “(i) a certification by the officer mak-  
24 ing the request that the officer has re-

1 viewed the relevant material in the covered  
2 employee's file;

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

9 “(iii) copies of the materials relating  
10 to the covered employee that are relevant  
11 to the officer's determination and request,  
12 unless the agency or instrumentality has a  
13 reasonable basis for not providing the ma-  
14 terials.

15 “(D) EXAMINATION.—If the Secretary of  
16 Labor receives a request under this paragraph  
17 before a covered employee has undergone an  
18 initial physical examination under paragraph  
19 (4)(B)(i), the Secretary shall promptly require  
20 the physical examination of the covered em-  
21 ployee. A physical examination under this sub-  
22 paragraph shall satisfy the requirement under  
23 paragraph (4)(B)(i) that an initial physical ex-  
24 amination be conducted.

25 “(E) AFTER INITIAL EXAMINATION.—

1                   “(i) IN GENERAL.—If the Secretary of  
2                   Labor receives a request under this para-  
3                   graph after a covered employee has under-  
4                   gone an initial physical examination under  
5                   paragraph (4)(B)(i), the Secretary shall—

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

10                                “(II) determine whether to re-  
11                                quire the physical examination of the  
12                                covered employee who is the subject of  
13                                the request.

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

20 **SEC. 508. WAITING PERIOD.**

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

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

25                                (2) in subsection (a)—

1 (A) in the matter preceding paragraph (1),  
2 by striking “An employee” and all that follows  
3 through “is not entitled” and inserting “IN  
4 GENERAL.—An employee is not entitled to con-  
5 tinuation of pay within the meaning of section  
6 8118 for the first 3 days of temporary disability  
7 or, if section 8118 does not apply, is not enti-  
8 tled”;

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

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

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

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

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

22 (C) by striking “or is followed by perma-  
23 nent disability”.

24 (b) CONTINUATION OF PAY.—Section 8118 is amend-  
25 ed—

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

3 (2) in subsection (a), by inserting “IN GEN-  
4 ERAL.—” before “The United States”;

5 (3) in subsection (b)—

6 (A) by inserting “FURNISHING OF CON-  
7 TINUATION OF PAY.—” before “Continuation of  
8 pay”; and

9 (B) in paragraph (1), by striking “section  
10 8117(b)” and inserting “section 8117”;

11 (4) by striking subsection (c);

12 (5) by redesignating subsection (d) as sub-  
13 sections (c);

14 (6) in subsection (c), as so redesignated, by in-  
15 serting “DENIAL.—” before “If a claim”; and

16 (7) in subsection (e), by inserting “TREATMENT  
17 OF PAYMENTS.—” before “Payments under this sec-  
18 tion”.

19 (c) TECHNICAL AND CONFORMING AMENDMENTS.—

20 The table of sections for chapter 81 is amended by strik-

21 ing the items relating to sections 8117 and 8118 and in-

22 serting the following:

“8117. Waiting period.

“8118. Continuation of pay.”.

23 **SEC. 509. ELECTION OF BENEFITS.**

24 (a) IN GENERAL.—Section 8116 is amended—

1           (1) in subsection (a), by inserting “IN GEN-  
2 ERAL.—” before “While an employee”;

3           (2) in subsection (b), by inserting “ELEC-  
4 TION.—” before “An individual entitled”;

5           (3) in subsection (c), by inserting “LIABIL-  
6 ITY.—” before “The liability of the United States”;

7           (4) in subsection (d), by inserting “EXCEP-  
8 TIONS.—” before “Notwithstanding”; and

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

10 “(e) RETIREMENT BENEFITS.—

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

17           “(2) ELECTION.—

18           “(A) DEADLINE.—An individual shall  
19 make an election under paragraph (1) in ac-  
20 cordance with such deadlines as the Secretary  
21 of Labor shall establish, which shall be a rea-  
22 sonable period after the individual has received  
23 notice of a final determination that the indi-  
24 vidual is entitled to compensation benefits pay-  
25 able under this subchapter.

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

5                   “(i) was qualified for benefits payable  
6 under both this subchapter and under a re-  
7 tirement system described in paragraph  
8 (1); and

9                   “(ii) was paid benefits under the re-  
10 tirement system after having been notified  
11 of eligibility for benefits under this sub-  
12 chapter.

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

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

1 **SEC. 510. SANCTION FOR NONCOOPERATION WITH FIELD**  
2 **NURSES.**

3 Section 8123, as amended by section 507, is amended  
4 by adding at the end the following:

5 “(f) FIELD NURSES.—

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

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

21 **SEC. 511. SUBROGATION OF CONTINUATION OF PAY.**

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

23 (1) in subsection (a)—

24 (A) in the matter preceding paragraph

25 (1)—

1 (i) by inserting “IN GENERAL.—” be-  
2 fore “If an injury”; and

3 (ii) by inserting “continuation of pay  
4 or” before “compensation”;

5 (B) in paragraph (1), by striking “he”  
6 each place it appears and inserting “the bene-  
7 ficiary”; and

8 (C) in paragraph (2), by striking “his own  
9 name” and inserting “the name of the bene-  
10 ficiary”;

11 (2) in subsection (b)—

12 (A) by inserting “REFUSAL.—” before “A  
13 beneficiary”;

14 (B) by striking “his own name” and in-  
15 serting “the name of the beneficiary”; and

16 (C) by inserting “continuation of pay or”  
17 before “compensation”;

18 (3) in subsection (c)—

19 (A) by inserting “PROSECUTION AND COM-  
20 PROMISE.—” before “The Secretary may”;

21 (B) by striking “he shall” and inserting  
22 “the Secretary shall”;

23 (C) by inserting “continuation of pay or”  
24 before “compensation already paid”; and

1 (D) by inserting “continuation of pay or”  
2 before “compensation payable”; and

3 (4) in subsection (d), by inserting “PANAMA  
4 CANAL COMPANY.—” before “If an injury”.

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

7 (1) in the first sentence—

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

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

12 (C) by striking “by him or in his behalf”  
13 and inserting “by the beneficiary or on behalf  
14 of the beneficiary”;

15 (D) by inserting “continuation of pay and”  
16 before “compensation paid by the United  
17 States”; and

18 (E) by striking “compensation payable to  
19 him” and inserting “continuation of pay or  
20 compensation payable to the beneficiary”;

21 (2) in the second sentence, by striking “his des-  
22 ignee” and inserting “the designee of the bene-  
23 ficiary”; and

24 (3) in the fourth sentence, by striking “If com-  
25 pensation” and all that follows through “payable to

1 him by the United States” and inserting “If con-  
2 tinuation of pay or compensation has not been paid  
3 to the beneficiary, the money or property shall be  
4 credited against continuation of pay or compensation  
5 payable to the beneficiary by the United States”.

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

9 **SEC. 512. INTEGRITY AND COMPLIANCE.**

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

12 **“§ 8153. Integrity and Compliance Program**

13 “(a) DEFINITIONS.—In this section—

14 “(1) the term ‘FECA program’ means the Fed-  
15 eral Employees Compensation Program administered  
16 under this subchapter;

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

21 “(3) the term ‘Inspector General’—

22 “(A) means an Inspector General described  
23 in subparagraph (A), (B), or (I) of section  
24 11(b)(1) of the Inspector General Act of 1978  
25 (5 U.S.C. App.); and

1           “(B) does not include the Inspector Gen-  
2           eral of an entity having no employees covered  
3           under the FECA program;

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

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

9           “(6) the term ‘Secretary’ means the Secretary  
10          of Labor; and

11          “(7) the term ‘Task Force’ means the FECA  
12          Integrity and Compliance Task Force established  
13          under subsection (c)(2)(A).

14          “(b) INTEGRITY AND COMPLIANCE PROGRAM.—Not  
15          later than 270 days after the date of enactment of this  
16          section, the Secretary shall establish an Integrity and  
17          Compliance Program for the purpose of preventing, identi-  
18          fying, and recovering fraudulent and other improper pay-  
19          ments for the FECA program, which shall include—

20                 “(1) procedures for identifying potentially im-  
21                 proper payments before payment is made to claim-  
22                 ants and providers, including, where appropriate,  
23                 predictive analytics;

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

4           “(3) on-going screening and verification proce-  
5           dures to ensure the continued eligibility of medical  
6           providers to provide services under the FECA pro-  
7           gram, including licensure, Federal disbarment, and  
8           the existence of relevant criminal convictions;

9           “(4) provision of appropriate information, edu-  
10          cation, and training to claimants and providers on  
11          requirements to ensure the integrity of the FECA  
12          program, including payments under the FECA pro-  
13          gram;

14          “(5) appropriate controls and audits to ensure  
15          that providers adopt internal controls and proce-  
16          dures for compliance with requirements under the  
17          FECA program;

18          “(6) procedures to ensure—

19                 “(A) initial and continuing eligibility of  
20                 claimants for compensation, benefits, or services  
21                 under the FECA program; and

22                 “(B) ongoing verification of information in  
23                 databases relating to claimants to ensure accu-  
24                 racy and completeness; and



1                   “(ii) the Postmaster General, who  
2                   shall serve as the Vice Chairperson of the  
3                   Task Force;

4                   “(iii) the Attorney General;

5                   “(iv) the Director of the Office of  
6                   Management and Budget; and

7                   “(v) other appropriate Federal offi-  
8                   cials, as determined by the Chairperson  
9                   and Vice Chairperson of the Task Force.

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

16                   “(i) The Inspector General of the De-  
17                   partment of Labor.

18                   “(ii) The Inspector General of the  
19                   United States Postal Service.

20                   “(iii) The Inspectors General of other  
21                   appropriate agencies and instrumentalities  
22                   of the United States that employ a signifi-  
23                   cant number of individuals receiving com-  
24                   pensation, benefits, or services under the

1 FECA program, as determined by the  
2 Chairperson of the Task Force.

3 “(D) DUTIES.—The Task Force shall—

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

10 “(I) the Secretary (including sub-  
11 ordinate officials such as the Director  
12 of the Office of Workers’ Compensa-  
13 tion Programs);

14 “(II) the Inspector General of  
15 the Department of Labor;

16 “(III) the Inspectors General of  
17 agencies and instrumentalities of the  
18 United States that employ claimants  
19 under the FECA program;

20 “(IV) the Attorney General; and

21 “(V) any other relevant officials;

22 “(ii) develop procedures for sharing  
23 information of possible fraud under the  
24 FECA program or other intentional  
25 misstatements by claimants or providers

1 under the FECA program, including proce-  
2 dures addressing—

3 “(I) notification of appropriate  
4 officials of the Department of Labor  
5 of potential fraud or other intentional  
6 misstatements, including provision of  
7 supporting information;

8 “(II) timely and appropriate re-  
9 sponse by officials of the Department  
10 of Labor to notifications described in  
11 subclause (I);

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

20 “(IV) the coordination of crimi-  
21 nal investigations with the administra-  
22 tion of the FECA program; and

23 “(V) the protection of informa-  
24 tion relating to an investigation of  
25 possible fraud under the FECA pro-

1                   gram from potential disclosure, in-  
2                   cluding requirements that enable in-  
3                   vestigative files to be appropriately  
4                   separated from case management  
5                   files;

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

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

19                  “(d) IMPROVEMENTS TO ACCESS OF FEDERAL DATA-  
20 BASES.—

21                  “(1) IN GENERAL.—In order to improve compli-  
22                  ance with the requirements under and the integrity  
23                  of the FECA program, or as required to otherwise  
24                  detect and prevent improper payments under the  
25                  FECA program (including for purposes of computer

1 matching under subsection (e)(1)(D)), upon written  
2 request—

3 “(A) the Commissioner of Social Security  
4 shall make available to the Secretary, the Post-  
5 master General, and each Inspector General the  
6 Social Security earnings information of a living  
7 or deceased employee;

8 “(B) the Director of the Office of Per-  
9 sonnel Management shall make available to the  
10 Secretary, the Postmaster General, and each  
11 Inspector General the information in the data-  
12 bases of Federal employees and retirees main-  
13 tained by the Director; and

14 “(C) the Secretary of Veterans Affairs  
15 shall make available to the Secretary, the Post-  
16 master General, and each Inspector General the  
17 information in the database of disabled individ-  
18 uals maintained by the Secretary of Veterans  
19 Affairs.

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

21 Upon written request, the Secretary of Health and  
22 Human Services shall make available to the Sec-  
23 retary, the Postmaster General, each Inspector Gen-  
24 eral, and the Comptroller General of the United  
25 States the information in the National Directory of

1 New Hires for purposes of carrying out this sub-  
2 chapter, in order to improve compliance with the re-  
3 quirements under and the integrity of the FECA  
4 program, or as required to otherwise detect and pre-  
5 vent improper payments under the FECA program  
6 (including for purposes of computer matching under  
7 subsection (e)(1)(D)). The Comptroller General may  
8 obtain information from the National Directory of  
9 New Hires for purposes of any audit, evaluation, or  
10 investigation, including any audit, evaluation, or in-  
11 vestigation relating to program integrity.

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

17 “(4) PROVISION.—Information requested under  
18 this subsection shall be provided—

19 “(A) in a timely manner;

20 “(B) at a reasonable cost to the Secretary,  
21 the Postmaster General, or an Inspector Gen-  
22 eral;

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

1           “(D) in the manner, frequency, and form  
2 reasonably specified by the officer making the  
3 request, which, upon request, shall include elec-  
4 tronic form.

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

7           “(A) IN GENERAL.—The Secretary shall  
8 consider and assess procedures for correlating  
9 the identity and status of recipients of com-  
10 pensation, benefits, or services under this sub-  
11 chapter with information relating to employees,  
12 retirees, and individuals described in subpara-  
13 graphs (B) and (C) of paragraph (1) and para-  
14 graph (2).

15           “(B) REPORT.—Not later than 1 year  
16 after the date of enactment of this section, the  
17 Secretary shall submit to the Committee on  
18 Homeland Security and Governmental Affairs  
19 of the Senate and the Committee on Oversight  
20 and Government Reform and the Committee on  
21 Education and the Workforce of the House of  
22 Representatives a report on the cost-effective-  
23 ness of the use of the databases described in  
24 subparagraphs (B) and (C) of paragraph (1)  
25 and paragraph (2) for program compliance and

1 integrity. The report required under this sub-  
2 paragraph may be included as part of the re-  
3 port required under subsection (f).

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

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

18 “(e) GENERAL PROTOCOLS AND SECURITY.—

19 “(1) ESTABLISHMENT.—

20 “(A) IN GENERAL.—In order to ensure  
21 strong information security and privacy stand-  
22 ards, the Task Force shall establish protocols  
23 for the secure transfer and storage of any infor-  
24 mation provided to an individual or entity  
25 under this section.

1           “(B) CONSIDERATIONS.—In establishing  
2 protocols under subparagraph (A), the Task  
3 Force shall consider any recommendations sub-  
4 mitted to the Secretary by the Inspector Gen-  
5 eral of the Department of Health and Human  
6 Services with respect to the secure transfer and  
7 storage of information, and to comply with pri-  
8 vacy laws and best practices.

9           “(C) FRAUD CASE PROTECTION.—The  
10 Task Force shall establish protocols and proce-  
11 dures to enable information and materials relat-  
12 ing to an active investigation of possible fraud  
13 relating to the FECA program to be appro-  
14 priately kept separate from the files for employ-  
15 ees relating to the provision of compensation,  
16 benefits, or services under the FECA program.

17           “(D) COMPUTER MATCHING BY FEDERAL  
18 AGENCIES FOR PURPOSES OF INVESTIGATION  
19 AND PREVENTION OF IMPROPER PAYMENTS  
20 AND FRAUD.—

21           “(i) IN GENERAL.—Except as pro-  
22 vided in this subparagraph, in accordance  
23 with section 552a (commonly known as the  
24 Privacy Act of 1974), the Secretary, the  
25 Postmaster General, each Inspector Gen-

1 eral, and the head of each agency may  
2 enter into computer matching agreements  
3 that allow ongoing data matching (which  
4 shall include automated data matching) in  
5 order to assist in the detection and preven-  
6 tion of improper payments under the  
7 FECA program.

8 “(ii) REVIEW.—Not later than 60  
9 days after a proposal for an agreement  
10 under clause (i) has been presented to a  
11 Data Integrity Board established under  
12 section 552a(u) for consideration, the Data  
13 Integrity Board shall approve or deny the  
14 agreement.

15 “(iii) TERMINATION DATE.—An  
16 agreement under clause (i)—

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

19 “(II) during the 3-month period  
20 ending on the date on which the  
21 agreement is scheduled to terminate,  
22 may be renewed by the agencies enter-  
23 ing the agreement for not more than  
24 3 years.

1           “(iv) MULTIPLE AGENCIES.—For pur-  
2           poses of this subparagraph, section  
3           552a(o)(1) shall be applied by substituting  
4           ‘between the source agency and the recipi-  
5           ent agency or non-Federal agency or an  
6           agreement governing multiple agencies’ for  
7           ‘between the source agency and the recipi-  
8           ent agency or non-Federal agency’ in the  
9           matter preceding subparagraph (A).

10           “(v) COST-BENEFIT ANALYSIS.—An  
11           agreement under clause (i) may be entered  
12           without regard to section 552a(o)(1)(B),  
13           relating to a cost-benefit analysis of the  
14           proposed matching program.

15           “(vi) GUIDANCE BY THE OFFICE OF  
16           MANAGEMENT AND BUDGET.—Not later  
17           than 6 months after the date of enactment  
18           of the Workers’ Compensation Reform Act  
19           of 2015, and in consultation with the  
20           Council of Inspectors General on Integrity  
21           and Efficiency, the Secretary of Health  
22           and Human Services, the Commissioner of  
23           Social Security, and the head of any other  
24           relevant agency, the Director of the Office  
25           of Management and Budget shall—

1                   “(I) issue guidance for agencies  
2                   regarding implementing this subpara-  
3                   graph, which shall include standards  
4                   for reimbursement costs, when nec-  
5                   essary, between agencies; and

6                   “(II) establish standards and de-  
7                   velop standard matching agreements  
8                   for the purpose of improving the proc-  
9                   ess for establishing data use or com-  
10                  puter matching agreements.

11                 “(2) COMPLIANCE.—The Secretary, the Post-  
12                 master General, and each Inspector General shall  
13                 ensure that any information provided to an indi-  
14                 vidual or entity under this section is provided in ac-  
15                 cordance with protocols established under paragraph  
16                 (1).

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

20                 “(f) REPORT.—Not later than 1 year after the date  
21                 of enactment of this section, and annually thereafter for  
22                 5 years, the Secretary shall submit a report on the activi-  
23                 ties of the Secretary under this section, including imple-  
24                 mentation of the Integrity and Compliance Program, to—

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

3           “(2) the Committee on Oversight and Govern-  
4           ment Reform and the Committee on Education and  
5           the Workforce of the House of Representatives.

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

8           “(1) conduct periodic reviews of the Integrity  
9           and Compliance Program; and

10           “(2) submit reports on the results of the re-  
11           views under paragraph (1) to the Committee on  
12           Homeland Security and Governmental Affairs of the  
13           Senate and the Committee on Oversight and Govern-  
14           ment Reform and the Committee on Education and  
15           the Workforce of the House of Representatives not  
16           later than—

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

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

21           (b) TECHNICAL AND CONFORMING AMENDMENT.—

22           The table of sections for chapter 81 is amended by insert-  
23           ing after the item relating to section 8152 the following:

          “8153. Integrity and Compliance Program.”.

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

4 **SEC. 513. AMOUNT OF COMPENSATION.**

5 (a) INJURIES TO FACE, HEAD, AND NECK.—Section  
6 8107(c)(21) is amended—

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

10 (2) by adding at the end the following: “The  
11 maximum amount of compensation under this para-  
12 graph shall be increased on March 1 of each year by  
13 the amount determined by the Secretary of Labor to  
14 represent the percent change in the price index pub-  
15 lished for December of the preceding year over the  
16 price index published for the December of the year  
17 prior to the preceding year, adjusted to the nearest  
18 one-tenth of 1 percent.”.

19 (b) FUNERAL EXPENSES.—Section 8134(a) is  
20 amended—

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

23 (2) by adding at the end the following: “The  
24 maximum amount of compensation under this sub-  
25 section shall be increased on March 1 of each year

1 by the amount determined by the Secretary of Labor  
2 to represent the percent change in the price index  
3 published for December of the preceding year over  
4 the price index published for the December of the  
5 year prior to the preceding year, adjusted to the  
6 nearest one-tenth of 1 percent.”.

7 (c) APPLICATION.—The amendments made by this  
8 section shall apply to injuries or deaths, respectively, oc-  
9 ccurring on or after the date of enactment of this Act.

10 **SEC. 514. TERRORISM INJURIES; ZONES OF ARMED CON-**  
11 **FLICT.**

12 (a) COVERING TERRORISM INJURIES.—Section  
13 8102(b), is amended in the matter preceding paragraph  
14 (1)—

15 (1) by inserting “or from an attack by a ter-  
16 rorist or terrorist organization, either known or un-  
17 known,” after “force or individual,”; and

18 (2) by striking “outside” and all that follows  
19 through “1979)” and inserting “outside of the  
20 United States”.

21 (b) CONTINUATION OF PAY IN A ZONE OF ARMED  
22 CONFLICT.—Section 8118, as amended by section 508(b)  
23 of this Act, is amended—

1           (1) in subsection (b), by striking “Continu-  
2           ation” and inserting “Except as provided under sub-  
3           section (d)(2), continuation”;

4           (2) in subsection (c), as redesignated by section  
5           508(b)(5) of this Act, by striking “subsection (a)”  
6           and inserting “subsection (a) or (d)”; and

7           (3) inserting before subsection (e) the following:  
8           “(d) CONTINUATION OF PAY IN A ZONE OF ARMED  
9           CONFLICT.—

10           “(1) IN GENERAL.—Notwithstanding subsection  
11           (a), the United States shall authorize the continu-  
12           ation of pay of an employee described in subpara-  
13           graph (A), (C), (D), or (E) of section 8101(1),  
14           who—

15           “(A) files a claim for a period of wage loss  
16           due to an injury in performance of duty in a  
17           zone of armed conflict (as determined by the  
18           Secretary of Labor under paragraph (3)); and

19           “(B) files the claim for such wage loss ben-  
20           efit with the immediate superior of the em-  
21           ployee not later than 45 days after the later  
22           of—

23           “(i) the termination of the assignment  
24           of the employee to the zone of armed con-  
25           flict; or

1                   “(ii) the return of the employee to the  
2                   United States.

3                   “(2) CONTINUATION OF PAY.—Notwithstanding  
4                   subsection (b), continuation of pay under this sub-  
5                   section shall be furnished for a period not to exceed  
6                   135 days without any break in time or waiting pe-  
7                   riod, unless controverted under regulations pre-  
8                   scribed by the Secretary of Labor.

9                   “(3) DETERMINATION OF ZONES OF ARMED  
10                  CONFLICT.—For purposes of this subsection, the  
11                  Secretary of Labor, in consultation with the Sec-  
12                  retary of State and the Secretary of Defense, shall  
13                  determine whether a foreign country or other foreign  
14                  geographic area outside of the United States (as de-  
15                  fined in section 202(a)(7) of the State Department  
16                  Basic Authorities Act of 1956 (22 U.S.C.  
17                  4302(a)(7)) is a zone of armed conflict based on  
18                  whether—

19                  “(A) the Armed Forces of the United  
20                  States are involved in hostilities in the country  
21                  or area;

22                  “(B) the incidence of civil insurrection,  
23                  civil war, terrorism, or wartime conditions  
24                  threatens physical harm or imminent danger to

1 the health or well-being of United States civil-  
2 ian employees in the country or area;

3 “(C) the country or area has been des-  
4 igned a combat zone by the President under  
5 section 112(e) of the Internal Revenue Code of  
6 1986;

7 “(D) a contingency operation involving  
8 combat operations directly affects civilian em-  
9 ployees in the country or area; or

10 “(E) there exist other relevant conditions  
11 and factors.”.

12 **SEC. 515. TECHNICAL AND CONFORMING AMENDMENTS.**

13 Chapter 81 is amended—

14 (1) in section 8101(1)(D), by inserting “for an  
15 injury that occurred before the effective date of sec-  
16 tion 204(e) of the District of Columbia Self-Govern-  
17 ment and Governmental Reorganization Act (Public  
18 Law 93–198; 87 Stat. 783; 5 U.S.C. 8101 note)”  
19 before the semicolon; and

20 (2) in section 8139, by inserting “under this  
21 subchapter” after “Compensation awarded”.

22 **SEC. 516. REGULATIONS.**

23 (a) IN GENERAL.—As soon as possible after the date  
24 of enactment of this Act, the Secretary of Labor shall pro-

1 mulgate regulations (which may include interim final reg-  
2 ulations) to carry out this title.

3 (b) CONTENTS.—The regulations promulgated under  
4 subsection (a) shall include, for purposes of the amend-  
5 ments made by sections 502 and 503, clarification of—

6 (1) what is a claim; and

7 (2) what is the date on which a period of dis-  
8 ability, for which a claim is made, commences.

9 **SEC. 517. EFFECTIVE DATE.**

10 Except as otherwise provided in this title, this title  
11 and the amendments made by this title shall take effect  
12 60 days after the date of enactment of this Act.