

# Calendar No. 523

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 1486

[Report No. 113-237]

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

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## IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2013

Mr. CARPER (for himself and Mr. COBURN) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

JULY 31, 2014

Reported by Mr. CARPER, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

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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 “Postal Reform Act of  
5 ~~2013~~”.

1 **SEC. 2. TABLE OF CONTENTS.**

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

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Definitions.

TITLE I—POSTAL SERVICE WORKFORCE

- Sec. 101. Annual Federal Employee Retirement System and Civil Service Retirement System Assessments.
- Sec. 102. Postal service authority to negotiate retirement benefit terms for new employees.
- Sec. 103. Restructuring of payments for retiree health benefits.
- Sec. 104. Postal service health benefits plan.
- Sec. 105. Medicare coordination efforts for postal service employees and retirees.
- Sec. 106. Labor disputes.

TITLE II—POSTAL SERVICE OPERATIONS

- Sec. 201. Maintenance of delivery service standards.
- Sec. 202. Preserving mail processing capacity.
- Sec. 203. Preserving community post offices.
- Sec. 204. Changes to mail delivery schedule.
- Sec. 205. Delivery point modernization.
- Sec. 206. Postal services for market-dominant products.

TITLE III—POSTAL SERVICE REVENUE

- Sec. 301. Postal rates.
- Sec. 302. Nonpostal services.
- Sec. 303. Shipping of wine, beer, and distilled spirits.

TITLE IV—POSTAL SERVICE GOVERNANCE

- Sec. 401. Board of Governors of the Postal Service.
- Sec. 402. Strategic Advisory Commission on Postal Service Solvency and Innovation.
- Sec. 403. Long-term solvency plan; annual financial plan and budget.
- Sec. 404. Chief Innovation Officer; innovation strategy.
- Sec. 405. Area and district office structure.
- Sec. 406. Inspector General of the Postal Service.

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.

TITLE VI—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL  
OF REAL PROPERTY

Sec. 601. Short title.  
 Sec. 602. Purpose.  
 Sec. 603. Property management and expedited disposal of real property.  
 Sec. 604. Report of the Comptroller General.  
 Sec. 605. Technical and conforming amendment.

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

9 **SEC. 101. ANNUAL FEDERAL EMPLOYEE RETIREMENT SYS-**  
 10 **TEM AND CIVIL SERVICE RETIREMENT SYS-**  
 11 **TEM ASSESSMENTS.**

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

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

16 (A) in paragraph (1)—

17 (i) in subparagraph (A)—

1                   (I) in clause (i), by inserting “or  
2                   (C)” after “subparagraph (B)”; and

3                   (II) in clause (ii), by striking  
4                   “and”;

5                   (ii) in subparagraph (B)(ii), by strik-  
6                   ing the period at the end and inserting “;  
7                   and”; and

8                   (iii) by adding at the end the fol-  
9                   lowing:

10                   “(C) the product of—

11                   “(i) the normal-cost percentage, as  
12                   determined for employees of the United  
13                   States Postal Service under paragraph (5);  
14                   multiplied by

15                   “(ii) the aggregate amount of basic  
16                   pay payable by the United States Postal  
17                   Service, for the period involved, to employ-  
18                   ees of the United States Postal Service.”;

19                   and

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

21                   “(5)(A) In determining the normal-cost per-  
22                   centage for employees of the United States Postal  
23                   Service, the Office shall use—

24                   “(i) demographic factors specific to the  
25                   employees; and

1           “(ii) economic assumptions regarding wage  
2           and salary growth that reflect the specific past,  
3           and likely future, pay for the employees.

4           “(B) The United States Postal Service shall  
5           provide any data or projections the Office requires  
6           in order to determine the normal-cost percentage for  
7           employees of the United States Postal Service con-  
8           sistent with subparagraph (A).

9           “(C) The Office shall review the determination  
10          of the normal-cost percentage for employees of the  
11          United States Postal Service and make such adjust-  
12          ments as are necessary—

13                 “(i) upon request of the United States  
14                 Postal Service, but no more frequently than  
15                 once each fiscal year; and

16                 “(ii) at any additional times, as the Office  
17                 considers appropriate.”.

18          (2) INITIAL DETERMINATION.—Not later than  
19          90 days after the date of enactment of this Act, the  
20          Office shall determine the normal-cost percentage  
21          for employees of the United States Postal Service in  
22          accordance with the requirements under section  
23          8423(a)(5) of title 5, United States Code, as added  
24          by paragraph (1).

25          (b) POSTAL FUNDING SURPLUS OR LIABILITY.—

1           (1) TREATMENT OF POSTAL FUNDING SUR-  
2           PLUS.—Section 8423(b) of title 5, United States  
3           Code, is amended—

4                   (A) by redesignating paragraph (5) as  
5                   paragraph (6); and

6                   (B) by inserting after paragraph (4) the  
7                   following:

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

12                   “(B)(i) After the date on which the Office de-  
13                   termines or redetermines under paragraph (7)(C)  
14                   the amount of supplemental liability computed under  
15                   paragraph (1)(B) as of the close of the fiscal year  
16                   ending on September 30, 2013, and if such amount  
17                   is less than zero, the Postmaster General may re-  
18                   quest that some or all of the amount of the postal  
19                   funding surplus be returned to the Postal Service,  
20                   and not later than 10 days after the request, the Di-  
21                   rector shall transfer to the United States Postal  
22                   Service from the Fund an amount equal to the por-  
23                   tion of the postal funding surplus requested for use  
24                   in accordance with this subparagraph.

1           “(ii) Of the amount transferred under clause  
2           (i), not more than \$6,000,000,000 may be used by  
3           the United States Postal Service for the purposes of  
4           repaying any obligation issued under section 2005(a)  
5           of title 39.

6           “(C) If the amount of supplemental liability  
7           computed under paragraph (1)(B) as of the close of  
8           any fiscal year commencing after September 30,  
9           2013, is less than zero, the Office shall establish an  
10          amortization schedule, including a series of annual  
11          installments, to be transferred to the United States  
12          Postal Service from the Fund, commencing on Sep-  
13          tember 30 of the subsequent fiscal year, which pro-  
14          vides for the liquidation of the postal funding sur-  
15          plus by September 30, 2054.”.

16          (2) SUPPLEMENTAL LIABILITY CALCULA-  
17          TION.—

18                 (A) FERS.—Section 8423(b) of title 5,  
19                 United States Code, as amended by paragraph  
20                 (1) of this subsection, is amended—

21                         (i) in paragraph (6), as so redesign-  
22                         ated, in the matter preceding subpara-  
23                         graph (A), by striking “For the purpose”  
24                         and inserting “Subject to paragraph (7),  
25                         and for the purpose”; and

1                   (ii) by adding at the end the fol-  
2                   lowing:

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

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

11                  “(ii) economic assumptions regarding wage  
12                  and salary growth that reflect the specific past  
13                  and likely future pay for current employees of  
14                  the United States Postal Service.

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

19                  “(C) Not later than June 14, 2014, the Office  
20                  shall determine or redetermine whether there is a  
21                  postal funding surplus (as defined in paragraph (5))  
22                  or a supplemental liability described in paragraph  
23                  (1)(B) (and the amount thereof) as of the close of  
24                  the fiscal year ending on September 30, 2013, in ac-



1 eordance with the requirements under subparagraph  
2 (A) of this paragraph.”.

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

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

7 “(B)(i)(I) Not later than June 14, 2014, the Office  
8 shall redetermine the Postal surplus or supplemental li-  
9 ability as of the close of the fiscal year ending on Sep-  
10 tember 30, 2013, in accordance with the requirements  
11 under paragraph (4).

12 “(II) If the result of the redetermination under sub-  
13 clause (I) is a surplus, that amount shall remain in the  
14 Fund until distribution is authorized under subparagraph  
15 (C).

16 “(III) If the result of the redetermination under sub-  
17 clause (I) is a supplemental liability, the Office shall estab-  
18 lish an amortization schedule, including a series of annual  
19 installments commencing on September 30, 2015, which  
20 provides for the liquidation of such liability by September  
21 30, 2054.

22 “(ii)(I) The Office shall redetermine the Postal sur-  
23 plus or supplemental liability as of the close of each fiscal  
24 year beginning after September 30, 2013, in accordance  
25 with the requirements under paragraph (4).

1       “(H) If the result of the redetermination under sub-  
 2 clause (I) is a surplus, that amount shall remain in the  
 3 Fund until distribution is authorized under subparagraph  
 4 (C).

5       “(III) On and after June 15, 2015, if the result of  
 6 the redetermination under subclause (I) is a supplemental  
 7 liability, the Office shall establish an amortization sched-  
 8 ule, including a series of annual installments commencing  
 9 on September 30 of the subsequent fiscal year, which pro-  
 10 vides for the liquidation of such liability by September 30,  
 11 2054.”; and

12                               (ii) by adding at the end the fol-  
 13                               lowing:

14               “(4)(A) For the purpose of carrying out para-  
 15               graphs (1) and (2), the Office shall, consistent with  
 16               section 8423(a)(5), use—

17                               “(i) demographic factors specific to current  
 18                               and former employees of the United States  
 19                               Postal Service; and

20                               “(ii) economic assumptions regarding wage  
 21                               and salary growth that reflect the specific past  
 22                               and likely future pay for current employees of  
 23                               the United States Postal Service.

24               “(B) The United States Postal Service shall  
 25               provide any data or projections the Office requires

1 in order to carry out paragraphs (1) and (2) con-  
 2 sistent with subparagraph (A) of this paragraph.”.

3 **SEC. 102. POSTAL SERVICE AUTHORITY TO NEGOTIATE RE-**  
 4 **TIREMENT BENEFIT TERMS FOR NEW EM-**  
 5 **PLOYEES.**

6 (a) AUTHORITY TO NEGOTIATE RETIREMENT BEN-  
 7 EFIT TERMS.—

8 (1) COLLECTIVE BARGAINING OVER CERTAIN  
 9 RETIREMENT BENEFITS.—Section 1005 of title 39,  
 10 United States Code, is amended by adding at the  
 11 end the following:

12 “(g)(1) In this subsection—

13 “(A) the term ‘collective bargaining agreement’  
 14 means a collective bargaining agreement between the  
 15 Postal Service and a bargaining representative rec-  
 16 ognized under section 1203 entered into after the  
 17 date of enactment of the Postal Reform Act of 2013;

18 “(B) the term ‘new employee’ means an indi-  
 19 vidual who becomes an officer or employee of the  
 20 Postal Service after the date of enactment of the  
 21 Postal Reform Act of 2013;

22 “(C) the term ‘not covered under the FERS de-  
 23 fined benefit plan’, with respect to an officer or em-  
 24 ployee of the Postal Service, means that service by  
 25 the officer or employee of the Postal Service as an

1 officer or employee of the Postal Service shall not be  
2 creditable service for purposes of chapter 84 of title  
3 5.

4 “(2)(A) A collective bargaining agreement may pro-  
5 vide, notwithstanding chapter 84 of title 5, that some or  
6 all new employees covered under the collective bargaining  
7 agreement shall be not covered under the FERS defined  
8 benefit plan.

9 “(B) If a new employee is not covered under the  
10 FERS defined benefit plan pursuant to a collective bar-  
11 gaining agreement, any subsequent service by the new em-  
12 ployee as an officer or employee of the Postal Service shall  
13 be not covered under the FERS defined benefit plan.

14 “(C) Subject to the requirements under this sub-  
15 section, a collective bargaining agreement may include one  
16 or more additional retirement benefit plans for the benefit  
17 of some or all new employees covered under the collective  
18 bargaining agreement.

19 “(3)(A) A collective bargaining agreement may estab-  
20 lish, with respect to some or all new employees covered  
21 under the collective bargaining agreement—

22 “(i) without regard to section 8422 of title 5,  
23 and subject to subparagraph (C) of this paragraph  
24 and paragraph (2)(B), the amounts to be deducted  
25 and withheld from the pay of the new employees for

1 deposit in the Treasury of the United States to the  
2 credit of the Civil Service Retirement and Disability  
3 Fund;

4 “(ii) without regard to section 8432 of title 5,  
5 whether the Postal Service shall make contributions  
6 to the Thrift Savings Fund for the benefit of the  
7 new employees; and, if the Postal Service shall make  
8 such contributions, the amounts that the Postal  
9 Service shall contribute; and

10 “(iii) for any retirement benefit plan established  
11 under the bargaining agreement, the amounts to be  
12 deducted and withheld from the pay of the new em-  
13 ployees under the retirement benefit plan for the  
14 benefit of the new employees.

15 “(B) Except as provided in paragraph (2)(B), a col-  
16 lective bargaining agreement may establish the amounts  
17 described in subparagraph (A)(i) with respect to some or  
18 all new employees who were covered under a previous col-  
19 lective bargaining agreement.

20 “(C) The Postal Service shall, under section 8422(e)  
21 of title 5, deposit in the Treasury to the credit of the Civil  
22 Service Retirement and Disability Fund the amount that  
23 the Postal Service would have deducted and withheld from  
24 the basic pay of each officer and employee of the Postal  
25 Service, except an officer or employee who is not covered

1 under the FERS defined benefit plan, without regard to  
 2 subparagraph (A)(i) or any agreement regarding amounts  
 3 to be deducted and withheld under subparagraph (A)(i).

4 “(4) If any new employee is not covered under the  
 5 FERS defined benefit plan pursuant to a collective bar-  
 6 gaining agreement, any member of the Postal Career Ex-  
 7 ecutive Service shall be not covered under the FERS de-  
 8 fined benefit plan on and after the effective date of the  
 9 collective bargaining agreement.

10 “(5) Except as provided in paragraph (3)(A), nothing  
 11 in this subsection or in a provision of a collective bar-  
 12 gaining agreement entered under this subsection shall af-  
 13 fect the coverage of an officer or employee of the Postal  
 14 Service under subchapter III of chapter 84 of the United  
 15 States Code (relating to the Thrift Savings Plan).”

16 (2) APPLICABILITY OF LAWS RELATING TO  
 17 FEDERAL EMPLOYEES.—Section 1005 of title 39,  
 18 United States Code, is amended—

19 (A) in subsection (d)(1), by striking “Offi-  
 20 cers” and inserting “Except as provided in sub-  
 21 section (g), officers”; and

22 (B) in subsection (f), in the second sen-  
 23 tence—

24 (i) by inserting “84,” before “87,”;

25 and

1 (ii) by striking “this subsection.” and  
 2 inserting “this subsection or subsection  
 3 (g).”.

4 (b) SPECIAL RULES RELATING TO FERS COVERAGE  
 5 FOR COVERED POSTAL EMPLOYEES.—

6 (1) IN GENERAL.—Subchapter II of chapter 84  
 7 of title 5, United States Code, is amended by adding  
 8 at the end the following:

9 **“§ 8426. Postal Service retirement**

10 “The application of sections 8422 and 8423 of this  
 11 title and subchapters III and VII of this chapter with re-  
 12 spect to an officer or employee of the Postal Service may  
 13 be modified as provided under section 1005(g) of title  
 14 39.”.

15 (2) TECHNICAL AND CONFORMING AMEND-  
 16 MENTS.—The table of sections for chapter 84 of title  
 17 5, United States Code, is amended by adding at the  
 18 end the following:

“8426. Postal Service retirement.”.

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

21 (a) CONTRIBUTIONS.—Section 8906(g)(2)(A) of title  
 22 5, United States Code, is amended by striking “through  
 23 September 30, 2016, be paid by the United States Postal  
 24 Service, and thereafter shall” and inserting “after the date  
 25 of enactment of the Postal Reform Act of 2013”.

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

4 (1) in subsection (d)—

5 (A) by striking paragraph (2) and insert-  
6 ing the following:

7 “(2)(A) Not later than June 30, 2016, the Office  
8 shall compute, and by June 30 of each succeeding year,  
9 the Office shall recompute, a schedule including a series  
10 of annual installments which provide for the liquidation  
11 of the amount described under subparagraph (B) (regard-  
12 less of whether the amount is a liability or surplus) by  
13 September 30, 2052, or within 15 years, whichever is  
14 later, including interest at the rate used in the computa-  
15 tions under this subsection.

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

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

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



- 1                    ~~(B)~~ in paragraph ~~(3)~~—
- 2                    (i) in subparagraph ~~(A)~~—
- 3                    ~~(I)~~ in clause ~~(iii)~~, by adding
- 4                    “and” at the end;
- 5                    ~~(II)~~ in clause ~~(iv)~~, by striking the
- 6                    semicolon at the end and inserting a
- 7                    period; and
- 8                    ~~(III)~~ by striking clauses ~~(v)~~
- 9                    through ~~(x)~~; and
- 10                   (ii) in subparagraph ~~(B)~~, by striking
- 11                   “2017” and inserting “2016”;
- 12                   ~~(C)~~ by amending paragraph ~~(4)~~ to read as
- 13 follows:
- 14                   “~~(4)~~ Computations under this subsection shall
- 15 be based on—
- 16                   “~~(A)~~ economic and actuarial methods and
- 17                   assumptions consistent with the methods and
- 18                   assumptions used in determining the Postal
- 19                   surplus or supplemental liability under section
- 20                   8348(h); and
- 21                   “~~(B)~~ any other methods and assumptions,
- 22                   including a health care cost trend rate; that the
- 23                   Director of the Office determines to be appro-
- 24                   priate.”; and
- 25                   ~~(D)~~ by adding at the end the following:

1           “(7) In this subsection, the term ‘Postal Service  
2           actuarial liability’ means the difference between—

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

7                   “(B) the net present value as computed  
8                   under paragraph (1) attributable to the future  
9                   service of United States Postal Service employ-  
10                  ees.”; and

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

12           “(e) Subsections (a) through (d) of this section shall  
13           be subject to section 104 of the Postal Reform Act of  
14           2013.”.

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

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

1 **SEC. 104. POSTAL SERVICE HEALTH BENEFITS PLAN.**

2 (a) DEFINITIONS.—In this section—

3 (1) the term “bargaining representative” means  
4 a bargaining representative recognized under section  
5 1203 of title 39, United States Code;

6 (2) the term “covered employee” means an offi-  
7 cer or employee of the Postal Service who is—

8 (A) represented by a bargaining represent-  
9 ative; or

10 (B) a member of the Postal Career Execu-  
11 tive Service;

12 (3) the term “Federal Employee Health Bene-  
13 fits Program” means the health benefits program  
14 under chapter 89 of title 5, United States Code;

15 (4) the term “participant” means—

16 (A) a covered employee who is—

17 (i) represented by a bargaining rep-  
18 resentative that enters into an agreement  
19 to establish a Postal Service Health Bene-  
20 fits Plan; or

21 (ii) if any bargaining representative  
22 enters into an agreement to establish a  
23 Postal Service Health Benefits Plan, a  
24 member of the Postal Career Executive  
25 Service; and

1           (B) an officer or employee of the Postal  
2           Service who—

3                   (i) is not a covered employee; and

4                   (ii) elects to participate in the Postal  
5           Service Health Benefits Plan; and

6           (5) the term “Postal Service Health Benefits  
7           Plan” means the health benefits plan that may be  
8           agreed to under subsection (b)(1).

9           (b) COLLECTIVE BARGAINING.—

10           (1) IN GENERAL.—Consistent with section  
11           1005(f) of title 39, United States Code, the Postal  
12           Service may negotiate individually or jointly with  
13           bargaining representatives and enter into a collective  
14           bargaining agreement or agreements with 1 or more  
15           of those bargaining representatives to establish a  
16           single Postal Service Health Benefits Plan that—

17                   (A) satisfies the conditions under sub-  
18                   section (c); and

19                   (B) may be a health benefits plan offered  
20                   under chapter 89 of title 5, United States Code.

21           (2) CONSULTATION WITH OPM.—The Postal  
22           Service and bargaining representatives shall conduct  
23           negotiations under paragraph (1) in consultation  
24           with the Director of the Office of Personnel Manage-  
25           ment.

1           (3) CONSULTATION WITH SUPERVISORY AND  
 2           MANAGERIAL PERSONNEL.—In the course of nego-  
 3           tiations under paragraph (1), the Postal Service  
 4           shall consult with each of the organizations of super-  
 5           visory and other managerial personnel that are rec-  
 6           ognized under section 1004 of title 39, United  
 7           States Code, concerning the views of the personnel  
 8           represented by each of those organizations.

9           (4) DISPUTES.—If the Postal Service or a bar-  
 10          gaining representative offers a proposed agreement  
 11          for negotiation under paragraph (1) and the parties  
 12          do not reach agreement within 180 days after the  
 13          commencement of collective bargaining on the pro-  
 14          posal, the procedures under section 1207(d) of title  
 15          39, United States Code, shall apply upon the elec-  
 16          tion of any party to the negotiations.

17          (5) TIME LIMITATION.—The authority under  
 18          this subsection shall extend until the date that is 2  
 19          years after the date of enactment of this Act.

20          (e) POSTAL SERVICE HEALTH BENEFITS PLAN.—  
 21          The Postal Service Health Benefits Plan—

22                 (1) shall—

23                         (A) be available for participation by—

24                                 (i) all covered employees represented  
 25                                 by a bargaining representative entering an

1 agreement described in subsection (b)(1);

2 and

3 (ii) all covered employees who are  
4 members of the Postal Career Executive  
5 Service;

6 (B) be available for participation by any  
7 officer or employee of the Postal Service who is  
8 not a covered employee, at the option solely of  
9 that officer or employee;

10 (C) provide coverage that is actuarially  
11 equivalent to the coverage offered under the  
12 types of plans available under the Federal Em-  
13 ployee Health Benefits Program, as determined  
14 by the Director of the Office of Personnel Man-  
15 agement;

16 (D) be administered in a manner deter-  
17 mined in an agreement or agreements reached  
18 under subsection (b);

19 (E) unless the Postal Service Health Bene-  
20 fits Plan is a health benefits plan offered under  
21 chapter 89 of title 5, United States Code, pro-  
22 vide for transition of coverage under the Fed-  
23 eral Employee Health Benefits Program of all  
24 participants in the Postal Service Health Bene-

1 fits Plan to coverage under the Postal Service  
2 Health Benefits Plan; and

3 ~~(F)~~ if the Postal Service Health Benefits  
4 Plan is a health benefits plan offered under  
5 chapter 89 of title 5, United States Code, and  
6 except as provided in section 8903e of title 5,  
7 United States Code, as added by section 105 of  
8 this Act, provide that the Postal Service Health  
9 Benefits Plan is the only health benefits plan  
10 under the Federal Employee Health Benefits  
11 Program in which a participant in the Postal  
12 Service Health Benefits Plan may participate as  
13 an employee;

14 ~~(2)~~ may provide dental benefits; and

15 ~~(3)~~ may provide vision benefits.

16 ~~(d) AGREEMENT AND IMPLEMENTATION.—~~If an  
17 agreement or agreements are reached under subsection (b)  
18 to provide a Postal Service Health Benefits Plan—

19 ~~(1)~~ the Postal Service shall implement the Post-  
20 al Service Health Benefits Plan;

21 ~~(2)~~ the Postal Service Health Benefits Plan  
22 shall constitute an agreement between the collective  
23 bargaining representatives and the Postal Service for  
24 purposes of section 1005(f) of title 39, United  
25 States Code; and

1           (3) unless the Postal Service Health Benefits  
2 Plan is a health benefits plan offered under chapter  
3 89 of title 5, United States Code, participants in the  
4 Postal Service Health Benefits Plan may not partici-  
5 pate as employees in the Federal Employees Health  
6 Benefits Program.

7           (e) GOVERNMENTAL PLAN.—The Postal Service  
8 Health Benefits Plan shall be a governmental plan as that  
9 term is defined under section 3(32) of Employee Retire-  
10 ment Income Security Act of 1974 (29 U.S.C. 1002(32)).

11          (f) REPORT.—Not later than 6 months after the ear-  
12 lier of the date on which any agreement is reached under  
13 subsection (b) and June 30, 2016, the Postal Service shall  
14 submit a report to the Committee on Homeland Security  
15 and Governmental Affairs of the Senate and the Com-  
16 mittee on Oversight and Government Reform of the House  
17 of Representatives that—

18           (1) reports on the implementation of this sec-  
19 tion; and

20           (2) requests any additional statutory authority  
21 that the Postal Service determines is necessary to  
22 carry out the purposes of this section.



1 **SEC. 105. MEDICARE COORDINATION EFFORTS FOR POST-**  
 2 **AL SERVICE EMPLOYEES AND RETIREES.**

3 (a) **ADDITIONAL ENROLLMENT OPTIONS UNDER**  
 4 **FEDERAL EMPLOYEES HEALTH BENEFITS PLANS.—**

5 Chapter 89 of title 5, United States Code, is amended by  
 6 inserting after section 8903b the following:

7 **“§ 8903c. Coordination with Medicare for Postal Serv-**  
 8 **ice employees and annuitants**

9 “(a) **DEFINITIONS.—**In this section—

10 “(1) the term ‘contract year’ means a calendar  
 11 year in which health benefits plans are administered  
 12 under this chapter;

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

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

21 “(4) the term ‘Postal Service employee or annu-  
 22 itant’ means an individual who is—

23 “(A) an employee of the Postal Service  
 24 covered under this chapter; or

25 “(B) an annuitant covered under this  
 26 chapter whose Government contribution is paid

1 by the Postal Service or the Postal Service Re-  
2 tiree Health Benefits Fund under section  
3 8906(g)(2).

4 “(b) ENROLLMENT OPTIONS.—

5 “(1) ESTABLISHMENT.—

6 “(A) IN GENERAL.—For contract years be-  
7 ginning on or after January 1, 2015, the Office  
8 shall establish enrollment options for health  
9 benefits plans that are open only to Postal  
10 Service employees and annuitants, and family  
11 members of a Postal Service employee or annu-  
12 itant, who are enrolled in Medicare part A and  
13 Medicare part B.

14 “(B) ADDITIONAL PLANS.—The enrollment  
15 options established under this subsection shall  
16 be in addition to any other health benefit plan  
17 or enrollment option otherwise available to  
18 Postal Service employees or annuitants under  
19 this chapter and shall not affect the eligibility  
20 of a Postal Service employee or annuitant for  
21 any another health benefit plan or enrollment  
22 option under this chapter.

23 “(2) ENROLLMENT ELIGIBILITY.—

24 “(A) IN GENERAL.—Any Postal Service  
25 employee or annuitant, or family member of a

1           Postal Service employee or annuitant, who is  
2           enrolled in Medicare part A and Medicare part  
3           B may enroll in ~~1~~ of the enrollment options es-  
4           tablished under paragraph (1).

5           “~~(B)~~ DETERMINATION OF ELIGIBILITY.—  
6           Eligibility to enroll in an enrollment option es-  
7           tablished under paragraph (1) shall be deter-  
8           mined without regard to the requirements  
9           under section 8905(b).

10          “~~(3)~~ VALUE OF COVERAGE.—The Office shall  
11          ensure that the aggregate actuarial value of coverage  
12          under the enrollment options established under this  
13          subsection, in combination with the value of coverage  
14          under Medicare part A and Medicare part B, shall  
15          be not less than the actuarial value of the most  
16          closely corresponding enrollment options for each  
17          plan available under section 8905, in combination  
18          with the value of coverage under Medicare part A  
19          and Medicare part B.

20          “~~(4)~~ ENROLLMENT OPTIONS.—

21                 “~~(A)~~ IN GENERAL.—The enrollment op-  
22                 tions established under paragraph (1) shall in-  
23                 clude—

1           “(i) an individual option, for Postal  
2           Service employees or annuitants enrolled in  
3           Medicare part A and Medicare part B;

4           “(ii) a self and family option, for  
5           Postal Service employees or annuitants  
6           and family members who are each enrolled  
7           in Medicare part A and Medicare part B;  
8           and

9           “(iii) a self and family option, for  
10          Postal Service employees or annuitants—

11                 “(I) who are enrolled in Medicare  
12                 part A and Medicare part B; and

13                 “(II) the family members of  
14                 whom are not enrolled in Medicare  
15                 part A or Medicare part B.

16           “(B) SPECIFIC SUB-OPTIONS.—The Office  
17           may establish more specific enrollment options  
18           within the types of options described under sub-  
19           paragraph (A).

20           “(5) REDUCED PREMIUMS TO ACCOUNT FOR  
21           MEDICARE COORDINATION.—In determining the pre-  
22           miums for the enrollment options under paragraph  
23           (4), the Office shall—

1           “(A) establish a separate risk pool for indi-  
2           viduals eligible for coverage under any of those  
3           options; and

4           “(B) ensure that—

5                   “(i) the premiums are reduced from  
6                   the premiums otherwise established under  
7                   this chapter to directly reflect the full cost  
8                   savings to the health benefits plans due to  
9                   the complete coordination of benefits with  
10                  Medicare part A and Medicare part B for  
11                  Postal Service employees or annuitants; or  
12                  family members of Postal Service employ-  
13                  ees or annuitants, who are enrolled in  
14                  Medicare part A and Medicare part B; and

15                   “(ii) the cost savings described under  
16                   clause (i) result solely in the reduction  
17                   of—

18                           “(I) the premiums paid by the  
19                           Postal Service employee or annuitant;  
20                           and

21                           “(II) the Government contribu-  
22                           tions paid by the Postal Service or  
23                           other employer.

1       “(c) ~~POSTAL SERVICE CONSULTATION.~~—The Office  
2 shall establish the enrollment options and premiums under  
3 this section in consultation with the Postal Service.”.

4       (b) ~~TECHNICAL AND CONFORMING AMENDMENTS.~~—  
5 The table of sections for chapter 89 of title 5, United  
6 States Code, is amended by inserting after the item relat-  
7 ing to section 8903b the following:

“8903c. Coordination with Medicare for Postal Service employees and annu-  
itants.”.

8       (c) ~~EFFECTIVE DATE.~~—The amendments made by  
9 subsection (a) shall apply with respect to contract years  
10 beginning on or after January 1, 2015.

11       (d) ~~SPECIAL ENROLLMENT PERIOD FOR POSTAL  
12 SERVICE EMPLOYEES AND ANNUITANTS.~~—

13               (1) ~~SPECIAL ENROLLMENT PERIOD.~~—Section  
14 1837 of the Social Security Act (42 U.S.C. 1395p)  
15 is amended by adding at the end the following new  
16 subsection:

17       “(m)(1) In the case of any individual who, as of the  
18 date of enactment of the Postal Reform Act of 2013, is  
19 a Postal Service employee or annuitant (as defined in sec-  
20 tion 8903c(a) of title 5, United States Code) at the time  
21 the individual is entitled to part A under section 226 or  
22 section 226A and who is eligible to enroll but who has  
23 elected not to enroll (or to be deemed enrolled) during the

1 individual's initial enrollment period, there shall be a spe-  
 2 cial enrollment period described in paragraph (2).

3       “(2) The special enrollment period described in this  
 4 paragraph, with respect to an individual, is the 1-year pe-  
 5 riod beginning on July 1, 2014.

6       “(3) In the case of an individual who enrolls during  
 7 the special enrollment period provided under paragraph  
 8 (1), the coverage period under this part shall begin on the  
 9 first day of the month in which the individual enrolls.”.

10       (2) WAIVER OF INCREASE OF PREMIUM.—Sec-  
 11 tion 1839(b) of the Social Security Act (42 U.S.C.  
 12 1395r(b)) is amended by striking “(i)(4) or (l)” and  
 13 inserting “(i)(4), (l), or (m)”.

14 **SEC. 106. LABOR DISPUTES.**

15       Section 1207(c) of title 39, United States Code, is  
 16 amended—

17       (1) in paragraph (2)—

18               (A) by inserting “(A)” after “(2)”;

19               (B) by striking the last sentence and in-  
 20 sserting “The arbitration board shall render a  
 21 decision not later than 45 days after the date  
 22 of its appointment.”; and

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

24               “(B) In rendering a decision under this  
 25 paragraph, the arbitration board shall consider

1 such relevant factors as the financial condition  
2 of the Postal Service.”; and

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

4 “(4) Nothing in this section may be construed  
5 to limit the relevant factors that the arbitration  
6 board may take into consideration in rendering a de-  
7 cision under paragraph ~~(2)~~.”.

8 **TITLE II—POSTAL SERVICE**  
9 **OPERATIONS**

10 **SEC. 201. MAINTENANCE OF DELIVERY SERVICE STAND-**  
11 **ARDS.**

12 During the 2-year period beginning on the date of  
13 enactment of this Act, the Postal Service shall maintain  
14 the service standards for first-class mail and periodicals  
15 under part 121 of title 39, Code of Federal Regulations,  
16 as in effect on the date of enactment of this Act.

17 **SEC. 202. PRESERVING MAIL PROCESSING CAPACITY.**

18 (a) **DEFINITION OF POSTAL FACILITY.**—In this sec-  
19 tion, the term “postal facility” means a processing and  
20 distribution center, processing and distribution facility,  
21 network distribution center, or other facility that is oper-  
22 ated by the Postal Service, the primary function of which  
23 is to sort and process mail.

24 (b) **MORATORIUM ON CLOSURES OF POSTAL FACILI-**  
25 **TIES.**—During the 2-year period beginning on the date of



1 enactment of this Act, the Postal Service may not close  
 2 or consolidate any postal facility that is open as of the  
 3 date of enactment of this Act.

4 **SEC. 203. PRESERVING COMMUNITY POST OFFICES.**

5 Section 404(d) of title 39, United States Code, is  
 6 amended—

7 (1) by redesignating paragraphs (5) and (6) as  
 8 paragraphs (6) and (7), respectively;

9 (2) by striking paragraphs (1) through (4) and  
 10 inserting the following:

11 “(d)(1) In this subsection, the term ‘post office’  
 12 means a post office, post office branch, post office classi-  
 13 fied station, or other facility that is operated by the Postal  
 14 Service, the primary function of which is to provide retail  
 15 postal services.

16 “(2) The Postal Service, prior to making a deter-  
 17 mination under subsection (a)(3) of this section as to the  
 18 necessity for the discontinuance of any post office, shall,  
 19 to the extent practicable and appropriate—

20 “(A) consider whether—

21 “(i) to discontinue the post office and an-  
 22 other post office located within a reasonable  
 23 distance;

24 “(ii) instead of discontinuing the post of-  
 25 fice—

1           “(I) to reduce the number of hours a  
2           day that the post office operates; or

3           “(II) to continue operating the post  
4           office for the same number of hours a day;

5           “(iii) to procure a contract providing full,  
6           or less than full, retail services in the commu-  
7           nity served by the post office; or

8           “(iv) to provide postal services to the com-  
9           munity served by the post office—

10           “(I) through a letter carrier; or

11           “(II) by co-locating postal services at  
12           a commercial or government entity;

13           “(B) provide postal customers served by the  
14           post office an opportunity to present their views,  
15           which may be by nonbinding survey conducted by  
16           mail; and

17           “(C) if the Postal Service determines to dis-  
18           continue the post office, provide adequate public no-  
19           tice of its intention to discontinue such post office  
20           at least 60 days prior to the proposed date of such  
21           discontinuance to persons served by such post office.

22           “(3) The Postal Service, in making a determination  
23           whether or not to discontinue a post office—

24           “(A) shall consider, to the extent practicable  
25           and appropriate—

1           “(i) the effect of the discontinuance on the  
2 community served by such post office;

3           “(ii) the effect of the discontinuance on  
4 businesses, including small businesses, in the  
5 area;

6           “(iii) the effect of such discontinuance on  
7 employees of the Postal Service employed at  
8 such office;

9           “(iv) whether such discontinuance is con-  
10 sistent with the policy of the Government, as  
11 stated in section 101(b) of this title, that the  
12 Postal Service shall provide a maximum degree  
13 of effective and regular postal services to rural  
14 areas, communities, and small towns where post  
15 offices are not self-sustaining;

16           “(v) the extent to which the community  
17 served by the post office lacks access to Inter-  
18 net phone service;

19           “(vi) the extent to which postal customers  
20 served by the post office would continue after  
21 the discontinuance to receive substantially simi-  
22 lar access to essential items and time-sensitive  
23 communications;

24           “(vii) the proximity and accessibility of  
25 other post offices;

1           “(viii) whether substantial economic sav-  
2           ings to the Postal Service would result from  
3           such discontinuance; and

4           “(ix) such other factors as the Postal Serv-  
5           ice determines are necessary; and

6           “(B) may not consider compliance with any  
7           provision of the Occupational Safety and Health Act  
8           of 1970 (29 U.S.C. 651 et seq.).

9           “(4) Any determination of the Postal Service to dis-  
10          continue a post office shall be in writing and shall include  
11          the findings of the Postal Service, to the extent practicable  
12          and appropriate, with respect to the considerations re-  
13          quired to be made under paragraph (3) of this subsection.  
14          Such determination and findings shall be made available  
15          to persons served by such post office by public notice.

16          “(5)(A) The Postal Service shall take no action to  
17          discontinue a post office until 60 days after its written  
18          determination is made available to persons served by such  
19          post office.

20          “(B) The Postal Service shall take no action to dis-  
21          continue a post office until 60 days after the Postal Serv-  
22          ice provides written notice of the determination under  
23          paragraph (4) to the State board of elections for the State  
24          in which the post office is located.”;

1           (3) in paragraph (6), as redesignated by this  
2 section—

3           (A) by striking “close or consolidate” and  
4 inserting “discontinue”; and

5           (B) by striking “paragraph (3)” and in-  
6 serting “paragraph (4)”; and

7           (4) in paragraph (7), as redesignated by this  
8 section, by striking “paragraph (5)” and inserting  
9 “paragraph (6)”.

10 **SEC. 204. CHANGES TO MAIL DELIVERY SCHEDULE.**

11       (a) **LIMITATION ON CHANGE IN SCHEDULE.**—The  
12 Postal Service may establish a general, nationwide delivery  
13 schedule of 5 or fewer days per week to street addresses  
14 under the authority of the Postal Service under title 39,  
15 United States Code, if—

16           (1) the Postal Service determines that such a  
17 delivery schedule would contribute to the achieve-  
18 ment of long-term solvency; and

19           (2) not less than 1 year has elapsed since the  
20 date of enactment of this Act.

21       (b) **IMPLEMENTATION.**—

22           (1) **IN GENERAL.**—If the Postal Service intends  
23 to establish a change in delivery schedule under sub-  
24 section (a), the Postal Service, to the extent prac-  
25 ticable and appropriate, shall—

1           (A) identify customers and communities  
2           for which the change may have a dispropor-  
3           tionate, negative impact, including small busi-  
4           ness customers and the customers identified as  
5           “particularly affected” in the Advisory Opinion  
6           on Elimination of Saturday Delivery issued by  
7           the Commission on March 24, 2011;

8           (B) develop measures to ameliorate any  
9           disproportionately negative impact the change  
10          would have on customers and communities iden-  
11          tified under paragraph (1); and

12          (C) not later than 3 months before the ef-  
13          fective date for any proposed change, submit a  
14          report that includes the determination required  
15          under subsection (a)(1) and details any meas-  
16          ures developed pursuant to subparagraph (B) of  
17          this paragraph to—

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

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

24                 (iii) the Commission.

1           (2) **RULE OF CONSTRUCTION.**—Nothing in this  
2 subsection shall be construed to affect the authority  
3 of the Postal Service to establish a nationwide deliv-  
4 ery schedule of 5 or fewer days per week if the con-  
5 ditions in subsection (a) are satisfied.

6           (c) **GAO REPORT.**—Not later than 270 days after the  
7 date of enactment of this Act, the Comptroller General  
8 of the United States shall submit to the Committee on  
9 Homeland Security and Governmental Affairs of the Sen-  
10 ate and the Committee on Oversight and Government Re-  
11 form of the House of Representatives a report evaluating  
12 the extent to which a change in delivery schedule would  
13 improve the financial condition of the Postal Service and  
14 assist in the efforts of the Postal Service to achieve long-  
15 term solvency, taking into consideration other ongoing and  
16 planned efforts to increase revenue and reduce costs, con-  
17 sistent with the requirements of this Act.

18           (d) **RULES OF CONSTRUCTION.**—Nothing in this sec-  
19 tion shall be construed to—

20           (1) require the decrease or increase in delivery  
21 frequency for any route for which the Postal Service  
22 provided delivery on fewer than 6 days per week as  
23 of the date of enactment of this Act;

24           (2) authorize any change in—

1           (A) the days and times that postal retail  
2           service or any mail acceptance is available at  
3           postal retail facilities or processing facilities; or

4           (B) the locations at which postal retail  
5           service or mail acceptance occurs at postal re-  
6           tail facilities or processing facilities;

7           (3) require any change in the frequency of de-  
8           livery to a post office box;

9           (4) prohibit the collection or delivery of a com-  
10          petitive mail product on a weekend, a recognized  
11          Federal holiday, or any other specific day of the  
12          week; or

13          (5) prohibit the Postal Service from exercising  
14          its authority to make changes to processing or retail  
15          networks.

16          (e) PACKAGES.—Notwithstanding any other provision  
17          of this section, for a period of not less than 2 years, begin-  
18          ning on the date of enactment of this Act, the Postal Serv-  
19          ice shall provide package service—

20                (1) 6 days per week to each street address that  
21                was eligible to receive package service 6 days per  
22                week as of January 1, 2013; and

23                (2) 7 days per week to each street address for  
24                which the Postal Service determines that such serv-



1       ice provides an economic benefit to the Postal Serv-  
2       ice.

3       (f) **MAILBOX ACCESS.**—If the Postal Service estab-  
4       lishes a general, nationwide delivery schedule of 5 or fewer  
5       days per week consistent with the provisions of this sec-  
6       tion, the Postal Service shall amend the Mailing Standards  
7       of the United States, Domestic Mail Manual to ensure  
8       that the provisions of section 508.3.2.10 of such manual,  
9       as in effect on January 1, 2013, shall apply on any day  
10      on which the Postal Service does not deliver the mail  
11      under the established delivery schedule.

12      **SEC. 205. DELIVERY POINT MODERNIZATION.**

13      (a) **IN GENERAL.**—Subchapter VII of chapter 36 of  
14      title 39, United States Code, is amended by adding at the  
15      end the following:

16      **“§ 3692. Delivery point modernization**

17      “(a) **DEFINITIONS.**—In this section, the following  
18      definitions shall apply:

19              “(1) **CENTRALIZED DELIVERY.**—The term ‘cen-  
20              tralized delivery’ means a primary mode of mail de-  
21              livery whereby mail is delivered to a group or cluster  
22              of mail receptacles at a single location.

23              “(2) **CURBSIDE DELIVERY.**—The term ‘curbside  
24              delivery’ means a primary mode of mail delivery  
25              whereby mail is delivered to a mail receptacle that

1 is situated at the edge of a public sidewalk abutting  
2 a road or curb, at a road, or at a curb.

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

6 “(4) DISTRICT OFFICE.—The term ‘district of-  
7 fice’ means the central office of an administrative  
8 field unit with responsibility for postal operations in  
9 a designated geographic area (as defined under reg-  
10 ulations, directives, or other guidance of the Postal  
11 Service).

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

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

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

18 “(ii) hand-delivered to a postal cus-  
19 tomer; and

20 “(B) does not include curbside or central-  
21 ized delivery.

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

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

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

7           “(1) NEW ADDRESSES.—Except as provided in  
8 paragraphs (4) and (5), the Postal Service shall pro-  
9 vide centralized delivery to new addresses established  
10 after the date of enactment of the Postal Reform  
11 Act of 2013, or if centralized delivery is not prac-  
12 ticable shall provide curbside delivery.

13           “(2) BUSINESS ADDRESS CONVERSION.—The  
14 Postal Service shall carry out a program to convert  
15 business addresses with door delivery on the date of  
16 enactment of the Postal Reform Act of 2013 to cen-  
17 tralized delivery or to curbside delivery.

18           “(3) RESIDENTIAL ADDRESS CONVERSION.—

19           “(A) IDENTIFICATION.—Not later than 9  
20 months after the date of enactment of the Post-  
21 al Reform Act of 2013, the head of each dis-  
22 trict office of the Postal Service shall identify  
23 residential addresses within the district office’s  
24 service area that are appropriate candidates for  
25 conversion from door delivery to another pri-

1           mary mode of delivery, in accordance with  
2           standards established by the Postal Service.

3           “(B) VOLUNTARY CONVERSION.—Not later  
4           than 1 year after the date of enactment of the  
5           Postal Reform Act of 2013, and consistent with  
6           subsection (b) and paragraph (4), the Postal  
7           Service shall begin implementation of a pro-  
8           gram to convert, on a voluntary basis, the ad-  
9           dresses identified under subparagraph (A) from  
10          door delivery to a more cost-effective primary  
11          mode of delivery.

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

15               “(i) solicit and consider input from  
16               postal customers, State and local govern-  
17               ments, local associations, and property  
18               owners; and

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

23          “(4) EXCEPTIONS.—In establishing a primary  
24          mode of mail delivery for new addresses under para-  
25          graph (1) or converting the primary mode of mail

1 delivery for an address under paragraph (2) or (3),  
2 the Postal Service may provide door delivery if—

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

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

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

15 “(5) WAIVER FOR PHYSICAL HARDSHIP.—The  
16 Postal Service shall establish and maintain a waiver  
17 program under which, upon the application of a  
18 postal customer, door delivery may be continued or  
19 provided to a delivery point if—

20 “(A) centralized delivery or curbside deliv-  
21 ery would, but for this paragraph, be the pri-  
22 mary mode of mail delivery for the delivery  
23 point; and



1           “(A) IN GENERAL.—Not later than 60  
2           days before the date on which any change in  
3           service under subsection (b) is implemented, the  
4           Board of Governors shall provide public notice  
5           of the proposed change in service implementa-  
6           tion of the proposed change, including any ad-  
7           justment in classes or rates proposed to be  
8           made under this section.

9           “(B) PUBLICATION.—The notice required  
10          by subparagraph (A) shall be—

11                 “(i) published in the Federal Register  
12                 and on the website of the Postal Service;  
13                 and

14                 “(ii) provided to the Postal Regu-  
15                 latory Commission.

16          “(C) CONTENTS.—The notice required by  
17          subparagraph (A) shall describe the proposed  
18          change in service, and address the consistency  
19          of the change with the policies of this title, in-  
20          cluding its effect on the provision of universal  
21          postal service.

22          “(2) PUBLIC COMMENT.—The Board of Gov-  
23          ernors shall solicit and receive public comments on  
24          any proposed change in service under subsection (b).  
25          The Board shall give interested persons an oppor-

1       tunity to comment on the proposed change in service  
2       through the submission of written data, views, or ar-  
3       guments, with or without opportunity for oral pres-  
4       entation, and shall take any relevant matter pre-  
5       sented into consideration in making its final deter-  
6       mination regarding the proposed change in service.

7           “(3) FINAL DECISION.—Not later than 30 days  
8       before the date on which a change in service under  
9       subsection (b) takes effect, the Board of Governors  
10       shall issue a final decision on the change in service  
11       which shall—

12           “(A) be published in the Federal Register  
13       and on the website of the Postal Service; and

14           “(B) include an explanation responding to  
15       all relevant comments received.

16           “(4) COMMISSION REVIEW.—Any change in  
17       service made by the Board of Governors under this  
18       section shall be subject to review by the Commission  
19       under section 3662.

20           “(d) LIMITATION.—Nothing in this section shall be  
21       construed as authorizing the making of changes under this  
22       section to the nature of service provided for competitive  
23       products. For a change that affects the nature of service  
24       provided for both market-dominant products and competi-



1 tive products, only the effect on market-dominant products  
2 shall be subject to this section.”.

3 (b) TECHNICAL AND CONFORMING AMENDMENT.—

4 The table of sections for chapter 36 of title 39, United  
5 States Code, is amended by striking the item relating to  
6 section 3661 and inserting the following:

“3661. Postal services for market-dominant products.”.

7 **TITLE III—POSTAL SERVICE**  
8 **REVENUE**

9 **SEC. 301. POSTAL RATES.**

10 (a) MODERN RATE SYSTEM.—

11 (1) IN GENERAL.—Chapter 36 of title 39,  
12 United States Code, is amended by striking section  
13 3622 and inserting the following:

14 **“§ 3622. Modern rate system**

15 “(a) AUTHORITY GENERALLY.—The Board of Gov-  
16 ernors of the Postal Service shall establish, and may from  
17 time to time thereafter revise, a system of classes and  
18 rates for market-dominant products, consistent with the  
19 requirements of this section. The authority under this sec-  
20 tion may not be delegated to the Postmaster General or  
21 to any other individual or body.

22 “(b) OBJECTIVES.—Such system shall be designed to  
23 achieve the following objectives, each of which shall be ap-  
24 plied in conjunction with the others:

1           “(1) To maximize incentives for the Postal  
2 Service to reduce costs and increase efficiency.

3           “(2) To create predictability and stability in  
4 rates through the establishment of a schedule where-  
5 by rates change at regular intervals by predictable  
6 amounts.

7           “(3) To maintain high quality service standards  
8 established under section 3691.

9           “(4) To assure adequate revenues, including re-  
10 tained earnings, to maintain financial stability.

11           “(5) To establish and maintain a just and rea-  
12 sonable schedule for rates and classifications, how-  
13 ever the objective under this paragraph shall not be  
14 construed to prohibit the Board of Governors from  
15 making changes of unequal magnitude within, be-  
16 tween, or among classes of mail.

17           “(6) To enhance mail security and deter ter-  
18 rorism.

19           “(7) To allocate the total institutional costs of  
20 the Postal Service appropriately between market-  
21 dominant and competitive products, in accordance  
22 with regulations established by the Postal Regu-  
23 latory Commission under section 3633.

24           “(e) FACTORS.—In establishing or revising such sys-  
25 tem, the Board of Governors shall take into account—

1           “(1) the value of the mail service actually pro-  
2           vided each class or type of mail service to both the  
3           sender and the recipient, including but not limited to  
4           the collection, mode of transportation, and priority  
5           of delivery;

6           “(2) the direct and indirect postal costs attrib-  
7           utable to each class or type of mail service through  
8           reliably identified causal relationships and that por-  
9           tion of all other costs of the Postal Service reason-  
10          ably assignable to such class or type;

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

15          “(4) the available alternative means of sending  
16          and receiving letters and other mail matter at rea-  
17          sonable costs;

18          “(5) the simplicity of structure for the entire  
19          schedule and simple, identifiable relationships be-  
20          tween the rates or fees charged the various classes  
21          of mail for postal services;

22          “(6) the relative value to the people of the  
23          kinds of mail matter entered into the postal system  
24          and the desirability and justification for special clas-  
25          sifications and services of mail;

1           “(7) the importance of providing classifications  
2 with extremely high degrees of reliability and speed  
3 of delivery and of providing those that do not re-  
4 quire high degrees of reliability and speed of deliv-  
5 ery;

6           “(8) the desirability of special classifications for  
7 both postal users and the Postal Service in accord-  
8 ance with the policies of this title;

9           “(9) the educational, cultural, scientific, and in-  
10 formational value to the recipient of mail matter;

11           “(10) the need for the Postal Service to in-  
12 crease its efficiency and reduce its costs, including  
13 infrastructure costs, to help maintain high quality,  
14 affordable postal services;

15           “(11) the value to the Postal Service and postal  
16 users of promoting intelligent mail and of secure,  
17 sender-identified mail; and

18           “(12) the policies of this title as well as such  
19 other factors as the Board of Governors determines  
20 appropriate.

21           “(d) NOTICE, COMMENT, AND REVIEW.—

22           “(1) NOTICE.—The Board of Governors shall  
23 provide notice of any adjustment in classes or rates  
24 proposed to be made under this section—

25           “(A) not less than—

1           “(i) 90 days before implementation of  
2           any class or rate adjustment that affects  
3           all or substantially all market-dominant  
4           products; and

5           “(ii) 45 days before implementation of  
6           any other class or rate adjustment; and

7           “(B) to—

8           “(i) the public, including by—

9                   “(I) publication in the Federal  
10           Register; and

11                   “(II) posting on Postal Service’s  
12           website; and

13           “(ii) the Postal Regulatory Commis-  
14           sion.

15           “(2) PUBLIC COMMENT.—The Board of Gov-  
16           ernors shall solicit and receive public comments on  
17           any proposed rate or class adjustment, and shall  
18           take such comments into account in making its final  
19           determination as to a rate or class adjustment.

20           “(3) FINAL DECISION.—Not later than 10 days  
21           before a rate or class adjustment takes effect, the  
22           Board of Governors shall issue a final decision on  
23           the adjustment which shall—

24                   “(A) be published in the Federal Register  
25           and on the Postal Service’s website; and

1           “(B) include an explanation responding to  
2           all relevant comments received.

3           “(4) COMMISSION REVIEW.—Any adjustment  
4           made by the Board of Governors under this section  
5           shall be subject to review by the Commission under  
6           section 3662.

7           “(e) LIMITATIONS ON RATE ADJUSTMENTS.—

8           “(1) ANNUAL LIMITATION.—The Board of Gov-  
9           ernors may not increase rates under this section for  
10          market-dominant products as a whole by an annual  
11          percentage that exceeds the percentage change in  
12          the Consumer Price Index for All Urban Consumers  
13          unadjusted for seasonal variation over the most re-  
14          cent available 12-month period preceding the date  
15          the Board of Governors provides notice of its inten-  
16          tion to increase rates.

17          “(2) CONDITIONS.—

18                 “(A) ROUNDING OF RATES AND FEES.—  
19                 Nothing in this subsection shall preclude the  
20                 Board of Governors from rounding rates and  
21                 fees to the nearest whole integer, if the effect  
22                 of such rounding does not cause the overall rate  
23                 increase for any class to exceed the Consumer  
24                 Price Index for All Urban Consumers.

1           “(B) USE OF UNUSED RATE AUTHOR-  
2           ITY.—

3           “(i) DEFINITION.—In this subpara-  
4           graph, the term ‘unused rate adjustment  
5           authority’ means the difference between—

6                   “(I) the maximum amount of a  
7                   rate adjustment that the Board of  
8                   Governors is authorized to make in  
9                   any year subject to the annual limita-  
10                  tion under paragraph (1); and

11                  “(II) the amount of the rate ad-  
12                  justment the Board of Governors ac-  
13                  tually makes in that year.

14           “(ii) AUTHORITY.—Subject to clause  
15           (iii), the Postal Service may use any un-  
16           used rate adjustment authority for any of  
17           the 5 years following the year such author-  
18           ity occurred.

19           “(iii) LIMITATIONS.—In exercising the  
20           authority under clause (ii) in any year, the  
21           Postal Service—

22                   “(I) may use unused rate adjust-  
23                   ment authority from more than 1  
24                   year;

1                   “(II) may use any part of the un-  
2                   used rate adjustment authority from  
3                   any year;

4                   “(III) shall use the unused rate  
5                   adjustment authority from the earliest  
6                   year such authority first occurred and  
7                   then each following year; and

8                   “(IV) may not exceed the annual  
9                   limitation under paragraph (1) by  
10                  more than 2 percentage points.

11                  “(3) EXIGENT CIRCUMSTANCES.—Notwith-  
12                  standing any limitation under subsection (d)(1) and  
13                  paragraph (1) of this subsection; and provided there  
14                  is not sufficient unused rate authority under para-  
15                  graph (2)(B); the Board of Governors may adjust  
16                  rates on an expedited basis due to either extraor-  
17                  dinary or exceptional circumstances; provided that  
18                  the Board of Governors unanimously determines;  
19                  after notice and opportunity for public comment;  
20                  that such adjustment is reasonable and equitable  
21                  and necessary to enable the Postal Service; under  
22                  best practices of honest; efficient; and economical  
23                  management; to maintain and continue the develop-  
24                  ment of postal services of the kind and quality  
25                  adapted to the needs of the United States.



1           “(4) EXPIRATION OF RATE CAP.—Any system  
2 of rates and classes established or revised by the  
3 Board of Governors under subsection (a) after De-  
4 cember 20, 2016, shall not be subject to the limita-  
5 tion in paragraph (1) of this subsection.

6           “(f) WORKSHARE DISCOUNTS.—

7           “(1) DEFINITION.—In this subsection, the term  
8 ‘workshare discount’ refers to rate discounts pro-  
9 vided to mailers for the presorting, prebarcoding,  
10 handling, or transportation of mail, as further de-  
11 fined by the Board of Governors under subsection  
12 (a).

13           “(2) SCOPE.—The Board of Governors shall en-  
14 sure that such discounts do not exceed the cost that  
15 the Postal Service avoids as a result of workshare  
16 activity, unless—

17           “(A) the discount is—

18           “(i) associated with a new postal serv-  
19 ice, a change to an existing postal service,  
20 or with a new work share initiative related  
21 to an existing postal service; and

22           “(ii) necessary to induce mailer behav-  
23 ior that furthers the economically efficient  
24 operation of the Postal Service and the  
25 portion of the discount in excess of the

1 cost that the Postal Service avoids as a re-  
2 sult of the workshare activity will be  
3 phased out over a limited period of time;

4 “(B) the amount of the discount above  
5 costs avoided—

6 “(i) is necessary to mitigate rate  
7 shock; and

8 “(ii) will be phased out over time;

9 “(C) the discount is provided in connection  
10 with a category of mail consisting exclusively of  
11 mail matter of educational, cultural, scientific,  
12 or informational value; or

13 “(D) reduction or elimination of the dis-  
14 count would—

15 “(i) impede the efficient operation of  
16 the Postal Service;

17 “(ii) lead to a loss of volume in the af-  
18 fected category of mail and reduce the ag-  
19 gregate contribution to the institutional  
20 costs of the Postal Service from the cat-  
21 egory subject to the discount below what it  
22 otherwise would have been if the discount  
23 had not been reduced or eliminated; or

1                   “~~(iii)~~ result in a further increase in  
2                   the rates paid by mailers not able to take  
3                   advantage of the discount.

4                   “~~(3)~~ NOTICE.—Whenever a workshare discount  
5                   is established, the Board of Governors shall ensure  
6                   that the notice provided under subsection ~~(d)(1)~~ in-  
7                   cludes—

8                   “~~(A)~~ the reasons for establishing the dis-  
9                   count;

10                  “~~(B)~~ the data, economic analyses, and  
11                  other information relied on by the Board of  
12                  Governors to justify the rate; and

13                  “~~(C)~~ a certification that the discount will  
14                  not adversely affect rates or services provided to  
15                  users of postal services who do not take advan-  
16                  tage of the discount rate.

17                  “~~(g)~~ NEGOTIATED SERVICE AGREEMENTS.—The  
18                  Board of Governors shall ensure that any agreement be-  
19                  tween the Postal Service and a mailer that adjusts rates  
20                  or classes in a manner that is specific to the mailer—

21                  “~~(1)~~ is available on public and reasonable terms  
22                  to similarly situated mailers;

23                  “~~(2)~~ either—

24                  “~~(A)~~ improves the net financial position of  
25                  the Postal Service through reducing Postal

1 Service costs or increasing the overall contribu-  
 2 tion to the institutional costs of the Postal  
 3 Service; or

4 “(B) enhances the performance of mail  
 5 preparation, processing, transportation, or other  
 6 functions; and

7 “(3) does not cause unreasonable harm to the  
 8 marketplace.

9 “(h) CONSIDERATION OF PRIOR COMMISSION DECISIONS.—In making any determination under this section,  
 10 including the construction and interpretation of the terms  
 11 used in this section, the Board of Governors shall give con-  
 12 sideration to decisions of the Commission made prior to  
 13 the date of enactment of the Postal Reform Act of 2013,  
 14 and shall include an explanation of any deviation from  
 15 such decisions in the notice required under subsection  
 16 (d)(1).”.

18 (2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 36 of title  
 19 39, United States Code, is amended by striking the  
 20 item relating to section 3622 and inserting the fol-  
 21 lowing:  
 22

“3622. Postal services for market-dominant products.”.

23 (b) REPEAL OF RATE PREFERENCES FOR QUALI-  
 24 FIED POLITICAL COMMITTEES.—

1           (1) IN GENERAL.—Section 3626 of title 39,  
2 United States Code, is amended—

3           (A) by striking subsection (e);

4           (B) by redesignating subsections (f), (g),  
5 and (h) as subsections (e), (f), and (g), respec-  
6 tively;

7           (C) by redesignating subsections (j)  
8 through (n) as subsections (h) through (l), re-  
9 spectively; and

10          (D) in subsection (h), as redesignated by  
11 paragraph (3)—

12           (i) in paragraph (1)(D), by striking  
13 “subsection (m)(2)” and inserting “sub-  
14 section (k)(2)”; and

15           (ii) in paragraph (3)(B), by striking  
16 “subsection (m)” and inserting “subsection  
17 (k)”.

18          (2) TECHNICAL AND CONFORMING AMEND-  
19 MENT.—Section 3629 of title 39, United States  
20 Code, is amended—

21           (A) by striking “is available” and inserting  
22 “was available”; and

23           (B) by striking “section 3626” and insert-  
24 ing “section 3626, as in effect on the day be-

1           fore the date of enactment of the Postal Reform  
2           Act of 2013.”.

3 **SEC. 302. NONPOSTAL SERVICES.**

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

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

8                   (A) in subsection (a)—

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

12                           (ii) by inserting after paragraph (5)  
13                           the following:

14                           “(6) on and after the date of enactment of the  
15                           Postal Reform Act of 2013, and except as provided  
16                           in subsection (c)—

17                                   “(A) to provide other services that are not  
18                                   postal services, if the provision of such serv-  
19                                   ices—

20   “(i) uses the processing, transpor-  
21   tation, delivery, retail network, or tech-  
22   nology of the Postal Service;

23   “(ii) is consistent with the public in-  
24   terest and a demonstrated or potential  
25   public demand for—

1           “(I) the Postal Service, rather  
2           than another entity, to provide the  
3           services; or

4           “(II) the Postal Service, in addi-  
5           tion to or in partnership with another  
6           entity, to provide the services;

7           “(iii) would not create unfair competi-  
8           tion with the private sector, taking into  
9           consideration the extent to which the Post-  
10          al Service will not, either by legal obliga-  
11          tion or voluntarily, comply with any state  
12          or local requirements that generally apply  
13          to persons providing the services;

14          “(iv) does not unreasonably interfere  
15          with or detract from the value of postal  
16          services, including—

17                 “(I) the cost and efficiency of  
18                 postal services; and

19                 “(II) access to postal retail serv-  
20                 ice;

21          “(v) will be undertaken in accordance  
22          with all Federal laws generally applicable  
23          to the provision of such services; and

24          “(vi) has the potential to improve the  
25          net financial position of the Postal Service;

1 based on a market analysis provided to the  
2 Postal Regulatory Commission by the  
3 Postal Service; and

4 “(B) to classify a service provided under  
5 subparagraph (A) as an experimental product  
6 subject to section 3641;”;

7 (B) in subsection (c)(1); by inserting “and  
8 that was offered by the Postal Service on the  
9 date of enactment of the Postal Reform Act of  
10 2013” after “102(5)”; and

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

12 “(g) For purposes of chapters 20 and 36 of this title,  
13 nonpostal services provided under subsection (a)(6) shall  
14 be treated as competitive products.”.

15 (2) COMPLAINTS.—Section 3662(a) of title 39,  
16 United States Code, is amended by inserting  
17 “404(a)(6),” after “403(e),”.

18 (3) MARKET ANALYSIS.—During the 5-year pe-  
19 riod beginning on the date of enactment of this Act,  
20 the Postal Service shall submit a copy of any market  
21 analysis provided to the Commission under section  
22 404(a)(6)(A)(vi) of title 39, United States Code, as  
23 amended by this section, to the Committee on  
24 Homeland Security and Governmental Affairs of the



1 Senate and the Committee on Oversight and Govern-  
2 ment Reform of the House of Representatives:

3 (b) GOVERNMENTAL SERVICES.—Section 411 of title  
4 39, United States Code, is amended—

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

7 (2) by inserting “(a)” before “Executive agen-  
8 cies”; and

9 (3) by adding at the end the following—

10 “(b)(1) The Postal Service is authorized to furnish  
11 property and services to States, local governments, and  
12 tribal governments, under such terms and conditions, in-  
13 cluding reimbursability, as the Postal Service and the ap-  
14 plicable State, local government, or tribal government  
15 shall determine appropriate.

16 “(2) For purposes of this subsection—

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

18 “(i) a county, municipality, city, town,  
19 township, local public authority, school district,  
20 special district, intrastate district, council of  
21 governments, or regional or interstate govern-  
22 ment entity;

23 “(ii) an agency or instrumentality of an  
24 entity described in clause (i); or

1           “(iii) a rural community, an unincor-  
2           porated town or village, or an instrumentality of  
3           a rural community or an unincorporated town  
4           or village;

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

11          “(C) the term ‘tribal government’ means the  
12          government of an Indian tribe, as that term is de-  
13          fined in section 4(e) of the Indian Self-Determina-  
14          tion Act (25 U.S.C. 450b(e)).

15          “(e) The Postal Service shall submit to the Postal  
16          Regulatory Commission, together with the report required  
17          under section 3652, a report that details the costs and  
18          revenues of the services provided by the Postal Service  
19          under this section.

20          “(d) In determining reimbursability under sub-  
21          sections (a) and (b), the Postal Service shall ensure that  
22          each service provided under such subsections covers its  
23          costs attributable, as that term is defined in section  
24          3631(b).”.

25          (e) CONFORMING AMENDMENTS.—

1           (1) SECTION 404(e) OF TITLE 39.—Section  
2           404(e) of title 39, United States Code, is amended  
3           by striking paragraph (5) and inserting the fol-  
4           lowing:

5           “(5) Each nonpostal service authorized under this  
6           subsection shall be designated as market-dominant or  
7           competitive based on the designation of the nonpostal  
8           service in the Mail Classification Schedule as in effect on  
9           the date of enactment of the Postal Reform Act of 2013.

10          “(6) Nothing in this subsection shall be construed to  
11          prevent the Postal Service from establishing nonpostal  
12          products and services that are expressly authorized by  
13          subsection (a)(6).”.

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

16                 (A) in subsection (b)(1), by inserting “(or  
17                 the appropriate consumers in the case of non-  
18                 postal products)” after “users”;

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

22                 (C) in the second sentence of subsection  
23                 (b)(3), by striking “section 3633(3)” and in-  
24                 serting “section 3633(a)(3)”;

1           (D) in subsection (e)(1), by striking  
2           “\$10,000,000” and inserting “\$50,000,000”;  
3           and

4           (E) in subsection (e)(2), by striking  
5           “\$50,000,000” and inserting “\$100,000,000”.

6           (3) TECHNICAL AND CONFORMING AMEND-  
7           MENTS.—Section 2003(b)(1) of title 39, United  
8           States Code, is amended by striking “postal and  
9           nonpostal services” and inserting “postal services,  
10          nonpostal services authorized under section 404(e),  
11          and products and services authorized under section  
12          411.”.

13 **SEC. 303. SHIPPING OF WINE, BEER, AND DISTILLED SPIR-**  
14           **ITS.**

15           (a) MAILABILITY.—

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

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

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

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

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

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

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

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

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

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

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

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

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

2                   “(II) provides a signature and pre-

3                   sents a valid, government-issued photo

4                   identification upon delivery.

5           “(3) The Postal Service shall prescribe such regula-

6           tions as may be necessary to carry out this subsection.”.

7           (c) EFFECTIVE DATE.—The amendments made by

8           this section shall take effect on the earlier of—

9                   (1) the date on which the Postal Service issues

10           regulations under section 3001(p) of title 39, United

11           States Code, as amended by this section; and

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

13           Act.

14           **TITLE IV—POSTAL SERVICE**  
 15                           **GOVERNANCE**

16           **SEC. 401. BOARD OF GOVERNORS OF THE POSTAL SERVICE.**

17           (a) BOARD OF GOVERNORS.—Title 39, United States

18           Code, is amended by striking section 202 and inserting

19           the following:

20           **“§ 202. Board of Governors**

21                   “(a) IN GENERAL.—The exercise of the power of the

22           Postal Service shall be directed by a Board of Governors

23           composed of 9 members appointed in accordance with this

24           section, each of whom shall be a voting member of the

25           Board.

1       “(b) MEMBERSHIP.—

2               “(1) COMPOSITION.—The Board shall be com-  
3 posed of—

4                       “(A) the Postmaster General;

5                       “(B) the Secretary of the Treasury; and

6                       “(C) 7 members; to be known as Gov-  
7 ernors; who shall be appointed by the President,  
8 by and with the advice and consent of the Sen-  
9 ate.

10               “(2) AFFILIATION.—Not more than 4 of the  
11 Governors may be members of any one political  
12 party.

13               “(3) CHAIRPERSON.—The President shall des-  
14 ignate one of the Governors to serve as the Chair-  
15 person of the Board.

16       “(c) QUALIFICATIONS.—

17               “(1) IN GENERAL.—The Governors shall rep-  
18 resent the public interest generally; and shall be cho-  
19 sen solely on the basis of experience in public serv-  
20 ice; law; or accounting; or on a demonstrated ability  
21 to manage organizations or corporations (in either  
22 the public or private sector) of substantial size.

23               “(2) NO SPECIFIC INTEREST.—A Governor may  
24 not be a representative of a specific interest using  
25 the Postal Service.

1           “(3) INITIAL APPOINTMENTS.—At least one of  
2           the Governors who is appointed to fill a position that  
3           is vacant on the date of enactment of the Postal Re-  
4           form Act of 2013 shall, in addition to the qualifica-  
5           tions set forth in paragraph (1), be appointed based  
6           on the demonstrated ability of that individual to  
7           manage and improve financially troubled organiza-  
8           tions.

9           “(d) REMOVAL.—A Governor may be removed only  
10          for cause.

11          “(e) COMPENSATION.—

12                 “(1) SALARY.—Each Governor shall receive a  
13                 salary of \$30,000 each year, plus \$300 for each day,  
14                 for not more than 42 days, on which the Governor  
15                 attends a meeting of the Board. Nothing in this  
16                 paragraph shall be construed to limit the number of  
17                 days of meetings each year to 42 days.

18                 “(2) REIMBURSEMENT FOR MEETINGS.—Each  
19                 Governor shall be reimbursed for travel and reason-  
20                 able expenses incurred in attending meeting meet-  
21                 ings of the Board.

22          “(f) TERMS.—

23                 “(1) IN GENERAL.—Each Governor shall serve  
24                 for a term of 7 years.



1           “(2) VACANCIES.—A Governor appointed to fill  
2 a vacancy occurring before the expiration of the  
3 term to which the predecessor of that Governor was  
4 appointed shall serve for the remainder for the re-  
5 mainder of that term.

6           “(3) CONTINUATION OF SERVICE.—A Governor  
7 may continue to serve after the expiration of the  
8 term of that Governor until a successor has been ap-  
9 pointed, except that a Governor may not continue to  
10 serve for more than 1 year after the date on which  
11 the term of that Governor would have otherwise ex-  
12 pired.

13           “(4) LIMIT.—A Governor may serve for not  
14 more than 2 terms.

15           “(g) POSTMASTER GENERAL.—

16           “(1) APPOINTMENT AND REMOVAL.—The Gov-  
17 ernors shall appoint and shall have the power to re-  
18 move the Postmaster General.

19           “(2) PAY AND TERM OF SERVICE.—The pay  
20 and term of service of the Postmaster General shall  
21 be determined by the Governors.

22           “(h) DEPUTY POSTMASTER GENERAL.—

23           “(1) APPOINTMENT AND REMOVAL.—The Gov-  
24 ernors and the Postmaster General shall appoint and

1 shall have the power to remove the Deputy Post-  
2 master General.

3 “(2) PAY.—The pay of the Deputy Postmaster  
4 General shall be determined by the Governors.

5 “(3) TERM OF SERVICE.—The term of service  
6 of the Deputy Postmaster General shall be deter-  
7 mined by the Governors and the Postmaster Gen-  
8 eral.

9 “(i) EXECUTIVE COMMITTEE.—

10 “(1) AUTHORITY TO ESTABLISH.—The Board,  
11 by a vote of a majority of its members, may estab-  
12 lish an Executive Committee of the Board, con-  
13 sistent with paragraph (2).

14 “(2) BOARD MEMBERSHIP AND RESPONSIBIL-  
15 ITIES.—If established by the Board, the Executive  
16 Committee shall—

17 “(A) be composed of the Chairperson of  
18 the Board and 2 additional Governors des-  
19 igned by the Board, except that not more  
20 than 2 members of the Executive Committee  
21 may be members of any one political party;

22 “(B) develop and oversee implementation  
23 of strategies and measures to ensure the long-  
24 term financial solvency of the Postal Service;

1           “(C) develop and oversee the implementa-  
 2           tion of the financial plan and budget required  
 3           under section 403 of the Postal Reform Act of  
 4           2013 and updates to the financial plan and  
 5           budget;

6           “(D) make recommendations to the Board  
 7           regarding aspects of postal operations; and

8           “(E) assume such other responsibilities as  
 9           the Board determines appropriate.

10          “(3) QUORUM.—2 members of the Executive  
 11          Committee shall constitute a quorum for the trans-  
 12          action of business by the Executive Committee.

13          “(4) TERMINATION.—The Executive Committee  
 14          may be terminated by a vote of the majority of the  
 15          members of the Board.”.

16          (b) PROCEDURES OF THE BOARD.—Section 205(e) of  
 17          title 39, United States Code, is amended by striking “6  
 18          members” and inserting “5 members”.

19          (c) INCUMBENTS; IMPLEMENTATION.—

20                 (1) INCUMBENTS.—An individual serving as a  
 21                 Governor on the Board of Governors of the Postal  
 22                 Service (referred to in this subsection as a “Gov-  
 23                 ernor”) on the date of enactment of this Act may  
 24                 continue to serve as a Governor until the expiration  
 25                 of the term of that Governor.

1           (2) IMPLEMENTATION OF MEMBERSHIP REDUC-  
2           TION.—

3           (A) IN GENERAL.—The following vacancies  
4           in the position of Governor shall not be filled:

5           (i) One of the 2 positions as a Gov-  
6           ernor for which the term is scheduled to  
7           expire on December 8, 2014.

8           (ii) One of the 2 positions as a Gov-  
9           ernor for which the term is scheduled to  
10          expire on December 8, 2015.

11          (B) PREFERENCE FOR ABOLISHING VA-  
12          CANT POSITIONS.—

13          (i) POSITIONS EXPIRING IN 2014.—If  
14          one of the 2 positions referred to in clause  
15          (i) of subparagraph (A) is vacant on the  
16          date of enactment of this Act, that vacant  
17          position shall be the position that is not  
18          filled, as required under such clause (i).

19          (ii) POSITIONS EXPIRING IN 2015.—If  
20          one of the 2 positions referred to in clause  
21          (ii) of subparagraph (A) is vacant on the  
22          date of enactment of this Act, that vacant  
23          position shall be the position that is not  
24          filled, as required under such clause (ii).

1 (d) CONFORMING AMENDMENTS.—Title 39, United  
2 States Code, is amended—

3 (1) in section 102(3)—

4 (A) by striking “9” and inserting “7”; and

5 (B) by striking “202(a)” and inserting  
6 “202(b)(1)(C)”; and

7 (2) in section 203—

8 (A) by striking “202(e)” and inserting  
9 “202(g)”; and

10 (B) by striking “202(d)” and inserting  
11 “202(h)”.

12 **SEC. 402. STRATEGIC ADVISORY COMMISSION ON POSTAL**  
13 **SERVICE SOLVENCY AND INNOVATION.**

14 (a) ESTABLISHMENT.—

15 (1) IN GENERAL.—There is established in the  
16 Postal Service a Strategic Advisory Commission on  
17 Postal Service Solvency and Innovation (referred to  
18 in this section as the “Advisory Commission”).

19 (2) INDEPENDENCE.—The Advisory Commis-  
20 sion shall not be subject to the supervision of the  
21 Board of Governors of the Postal Service (referred  
22 to in this section as the “Board of Governors”); the  
23 Postmaster General, or any other officer or employee  
24 of the Postal Service.

1       (b) PURPOSE.—The purpose of the Advisory Com-  
2 mission is—

3           (1) to provide strategic guidance to the Presi-  
4 dent, Congress, the Board of Governors, and the  
5 Postmaster General on enhancing the long-term sol-  
6 vency of the Postal Service; and

7           (2) to foster innovative thinking to address the  
8 challenges facing the Postal Service.

9       (c) MEMBERSHIP.—

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

12           (A) 3 members shall be appointed by the  
13 President, who shall designate 1 member ap-  
14 pointed under this subparagraph to serve as  
15 Chairperson of the Advisory Commission; and

16           (B) 1 member shall be appointed by each  
17 of—

18           (i) the majority leader of the Senate;

19           (ii) the minority leader of the Senate;

20           (iii) the Speaker of the House of Rep-  
21 resentatives; and

22           (iv) the minority leader of the House  
23 of Representatives.

1           (2) QUALIFICATIONS.—Members of the Advi-  
2       sory Commission shall be prominent citizens hav-  
3       ing—

4           (A) significant depth of experience in such  
5       fields as business and public administration;

6           (B) a reputation for innovative thinking;

7           (C) familiarity with new and emerging  
8       technologies; and

9           (D) experience with revitalizing organiza-  
10      tions that experienced significant financial chal-  
11      lenges or other challenges.

12       (3) INCOMPATIBLE OFFICES.—An individual  
13      who is appointed to the Advisory Commission may  
14      not serve as an elected official or an officer or em-  
15      ployee of the Federal Government while serving as  
16      a member of the Advisory Commission, except in the  
17      capacity of that individual as a member of the Advi-  
18      sory Commission.

19       (4) DEADLINE FOR APPOINTMENT.—Each  
20      member of the Advisory Commission shall be ap-  
21      pointed not later than 45 days after the date of en-  
22      actment of this Act.

23       (5) MEETINGS; QUORUM; VACANCIES.—

24           (A) MEETINGS.—The Advisory Commis-  
25      sion shall meet at the call of the Chairperson or

1 a majority of the members of the Advisory  
2 Commission.

3 (B) QUORUM.—4 members of the Advisory  
4 Commission shall constitute a quorum.

5 (C) VACANCIES.—Any vacancy in the Advi-  
6 sory Commission shall not affect the powers of  
7 the Advisory Commission, but shall be filled as  
8 soon as practicable in the same manner in  
9 which the original appointment was made.

10 (d) DUTIES AND POWERS.—

11 (1) DUTIES.—The Advisory Commission  
12 shall—

13 (A) study matters that the Advisory Com-  
14 mission determines are necessary and appro-  
15 priate to develop a strategic blueprint for the  
16 long-term solvency of the Postal Service, includ-  
17 ing—

18 (i) the financial, operational, and  
19 structural condition of the Postal Service;

20 (ii) alternative strategies and business  
21 models that the Postal Service could adopt;

22 (iii) opportunities for additional postal  
23 and nonpostal products and services that  
24 the Postal Service could offer;



1 (iv) innovative services that postal  
2 services in foreign countries have offered,  
3 including services that respond to the in-  
4 creasing use of electronic means of commu-  
5 nication; and

6 (v) the governance structure, manage-  
7 ment structure, and management of the  
8 Postal Service, including—

9 (I) the appropriate method of ap-  
10 pointment, qualifications, duties, and  
11 compensation for senior officials of  
12 the Postal Service, including the Post-  
13 master General; and

14 (II) the number and functions of  
15 senior officials of the Postal Service  
16 and the number of levels of manage-  
17 ment of the Postal Service; and

18 (B) submit the report required under sub-  
19 section (f).

20 (2) HEARINGS.—The Advisory Commission may  
21 hold such hearings, take such testimony, and receive  
22 such evidence as is necessary to carry out this sec-  
23 tion.

24 (3) ACCESS TO INFORMATION.—The Advisory  
25 Commission may secure directly from the Postal

1 Service, the Board of Governors, the Postal Regu-  
2 latory Commission, and any other Federal depart-  
3 ment or agency such information as the Advisory  
4 Commission considers necessary to carry out this  
5 section. Upon request of the Chairperson of the Ad-  
6 visory Commission, the head of the department or  
7 agency shall furnish the information described in the  
8 preceding sentence to the Advisory Commission.

9 (c) PERSONNEL MATTERS.—

10 (1) ADVISORY COMMISSION MEMBERS.—

11 (A) COMPENSATION OF MEMBERS.—Each  
12 member of the Advisory Commission shall be  
13 compensated at a rate equal to the daily equiva-  
14 lent of the annual rate of basic pay prescribed  
15 for level IV of the Executive Schedule under  
16 section 5315 of title 5, United States Code, for  
17 each day during which the member is engaged  
18 in the actual performance of the duties of the  
19 Advisory Commission.

20 (B) TRAVEL EXPENSES.—Each member of  
21 the Advisory Commission shall be allowed travel  
22 expenses, including per diem in lieu of subsist-  
23 ence, at the rate authorized for employees serv-  
24 ing intermittently in the Government service  
25 under section 5703 of title 5, United States

1 Code, while away from home or regular place of  
2 business in the performance of services for the  
3 Advisory Commission.

4 (2) STAFF.—

5 (A) APPOINTMENT AND COMPENSATION.—

6 The Chairperson, in accordance with rules  
7 agreed upon by the Advisory Commission, shall  
8 appoint and fix the compensation of an execu-  
9 tive director and such other personnel as may  
10 be necessary to enable the Advisory Commission  
11 to carry out the functions of the Advisory Com-  
12 mission, without regard to the provisions of title  
13 5, United States Code, governing appointments  
14 in the competitive service, and without regard  
15 to the provisions of chapter 51 and subchapter  
16 III of chapter 53 of such title relating to classi-  
17 fication of positions and General Schedule pay  
18 rates, except that a rate of pay fixed under this  
19 subparagraph may not exceed the annual rate  
20 of basic pay prescribed for level V of the Execu-  
21 tive Schedule under section 5316 of title 5,  
22 United States Code.

23 (B) DETAILEES.—Any Federal employee,  
24 including an employee of the Postal Service,  
25 may be detailed to the Advisory Commission

1 without reimbursement, and such detail shall be  
2 without interruption or loss of the civil service  
3 rights, status, or privilege of the employee.

4 (C) CONSULTANT SERVICES.—The Advi-  
5 sory Commission may procure the services of  
6 experts and consultants in accordance with sec-  
7 tion 3109 of title 5, United States Code, at  
8 rates for individuals that do not exceed the  
9 daily equivalent of the annual rate of basic pay  
10 prescribed for level IV of the Executive Sched-  
11 ule under section 5315 of such title.

12 (f) STRATEGIC BLUEPRINT FOR LONG-TERM SOL-  
13 VENCY.—

14 (1) IN GENERAL.—Not later than 9 months  
15 after the date of enactment of this Act, the Advisory  
16 Commission shall submit a report that contains a  
17 strategic blueprint for the long-term solvency of the  
18 Postal Service to—

19 (A) the President;

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

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

25 (D) the Board of Governors; and

1           ~~(E)~~ the Postmaster General.

2           ~~(2)~~ CONTENTS.—The strategic blueprint con-  
3           tained in the report submitted under paragraph ~~(1)~~  
4           shall include—

5                   (A) an assessment of the business model of  
6           the Postal Service as of the date on which the  
7           report is submitted;

8                   (B) an assessment of potential future busi-  
9           ness models for the Postal Service, including an  
10          evaluation of the appropriate balance between—

11                   (i) necessary reductions in costs and  
12          services; and

13                   (ii) additional opportunities for  
14          growth and revenue;

15                   (C) a strategy for addressing significant  
16          current and future liabilities;

17                   (D) identification of opportunities for fur-  
18          ther reductions in costs;

19                   ~~(E)~~ identification of opportunities for new  
20          and innovative products and services;

21                   ~~(F)~~ a strategy for future growth;

22                   (G) a vision of how the Postal Service will  
23          operate in a sustainable manner 20 years after  
24          the date of enactment of this Act; and

1           (H) recommendations for any legislative  
2           changes necessary to implement the strategic  
3           blueprint described in this paragraph.

4           (g) ~~STUDY AND STRATEGIC PLAN ON INTERAGENCY~~  
5 ~~AGREEMENTS FOR POST OFFICES.—~~

6           (1) ~~DUTIES OF ADVISORY COMMISSION.—~~

7           (A) ~~STUDY.—~~

8                   (i) ~~IN GENERAL.—~~The Advisory Com-  
9                   mission shall conduct a study concerning  
10                  the advisability of the Postal Service enter-  
11                  ing into interagency agreements with Fed-  
12                  eral, State, and local agencies, with respect  
13                  to post offices, that—

14                           (I) streamline and consolidate  
15                           services provided by Federal, State,  
16                           and local agencies;

17                           (II) decrease the costs incurred  
18                           by Federal agencies in providing serv-  
19                           ices to the general public; and

20                           (III) improve the efficiency and  
21                           maintain the customer service stand-  
22                           ards of the Federal, State, and local  
23                           agencies.

24                           (ii) ~~CLARIFICATION OF INTER-AGENCY~~  
25                           ~~AGREEMENTS.—~~The study under clause (i)

1 shall include consideration of the advis-  
2 ability of the Postal Service entering into  
3 an interagency agreement with—

4 (I) the Bureau of the Census for  
5 the provision of personnel and re-  
6 sources for the 2020 decennial census;

7 (II) the department of motor ve-  
8 hicles, or an equivalent agency, of  
9 each State for the provision of driver  
10 licenses, vehicle registration, and voter  
11 registration;

12 (III) the division of wildlife, the  
13 department of natural resources, or  
14 an equivalent agency, of each State  
15 for the provision of hunting and fish-  
16 ing licenses; and

17 (IV) other Federal agencies re-  
18 sponsible for providing services to the  
19 general public.

20 (B) FINDINGS.—The Advisory Commission  
21 shall—

22 (i) not later than 9 months after the  
23 date of enactment of this Act, submit to  
24 the Postal Service the findings of the study  
25 conducted under subparagraph (A); and

1                   (ii) incorporate the findings described  
2                   in clause (i) into the strategic blueprint re-  
3                   quired under subsection (f).

4           (2) ~~POSTAL SERVICE STRATEGIC PLAN.~~—

5                   (A) ~~IN GENERAL.~~—Not later than 6  
6                   months after the date on which the Advisory  
7                   Commission submits to the Postal Service the  
8                   findings under paragraph (1)(B), the Postal  
9                   Service shall submit a strategic plan for enter-  
10                  ing into interagency agreements concerning  
11                  post offices to—

12                   (i) the Committee on Homeland Secu-  
13                   rity and Governmental Affairs of the Sen-  
14                   ate; and

15                   (ii) the Committee on Oversight and  
16                   Government Reform of the House of Rep-  
17                   resentatives.

18                   (B) ~~LIMITATIONS.~~—The strategic plan  
19                   submitted under subparagraph (A) shall be con-  
20                   sistent with public interest and demand.

21                   (C) ~~COST SAVINGS PROJECTIONS.~~—The  
22                   strategic plan submitted under subparagraph  
23                   (A) shall include, for each proposed interagency  
24                   agreement, a projection of cost savings to be re-  
25                   alized by the Postal Service and by any other



1 Federal agency that is a party to the agree-  
2 ment.

3 (h) ~~TERMINATION OF THE COMMISSION.~~—The Advi-  
4 sory Commission shall terminate 90 days after the later  
5 of—

6 (1) the date on which the Advisory Commission  
7 submits the report on the strategic blueprint for  
8 long-term solvency under subsection (f); and

9 (2) the date on which the Advisory Commission  
10 submits the findings on interagency agreements for  
11 post offices under subsection (g).

12 (i) ~~AUTHORIZATION OF APPROPRIATIONS.~~—There  
13 are authorized to be appropriated out of the Postal Service  
14 Fund for fiscal years 2014 and 2015 such sums as may  
15 be necessary to carry out this section.

16 **SEC. 403. LONG-TERM SOLVENCY PLAN; ANNUAL FINAN-**  
17 **CIAL PLAN AND BUDGET.**

18 (a) ~~DEFINITIONS.~~—In this section—

19 (1) the term “Board of Governors” means the  
20 Board of Governors of the Postal Service;

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

24 (3) the term “solvency” means the ability of the  
25 Postal Service to pay debts and meet expenses; in-

1 eluding the ability to perform maintenance and re-  
 2 pairs, make investments, and maintain financial re-  
 3 serves, as necessary to fulfill the requirements  
 4 under, and comply with the policies of, title 39,  
 5 United States Code, and other obligations of the  
 6 Postal Service.

7 (b) ~~PLAN FOR THE LONG-TERM SOLVENCY OF THE~~  
 8 ~~POSTAL SERVICE.—~~

9 (1) ~~SOLVENCY PLAN REQUIRED.—~~

10 (A) ~~IN GENERAL.—~~Not later than the date  
 11 described in subparagraph (B), the Postmaster  
 12 General shall submit to the Board of Governors  
 13 a plan describing the actions the Postal Service  
 14 intends to take to achieve long-term solvency.

15 (B) ~~DATE.—~~The date described in this  
 16 subparagraph is the later of—

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

19 (ii) the earliest date as of which the  
 20 Board of Governors has the number of  
 21 members required for a quorum.

22 (2) ~~CONSIDERATIONS.—~~The long-term solvency  
 23 plan shall take into account—

24 (A) the legal authority of the Postal Serv-  
 25 ice;

1           (B) changes in the legal authority and re-  
2           sponsibilities of the Postal Service under this  
3           Act and the amendments made by this Act;

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

7           (D) projected changes in mail volume;

8           (E) the impact of any regulations that the  
9           Postal Service is required to promulgate under  
10          Federal law;

11          (F) projected changes in the number of  
12          employees needed to carry out the responsibil-  
13          ities of the Postal Service; and

14          (G) the long-term capital needs of the  
15          Postal Service, including the need to maintain,  
16          repair, and replace facilities and equipment.

17          (3) REVIEW AND SUBMISSION TO CONGRESS.—

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

23           (B) SUBMISSION TO CONGRESS.—Not later  
24           than 60 days after initial receipt of the long-  
25           term solvency plan, the Board of Governors

1 shall provide a copy of the long-term solvency  
2 plan to the Committee on Homeland Security  
3 and Governmental Affairs of the Senate and the  
4 Committee on Oversight and Government Re-  
5 form of the House of Representatives, together  
6 with a letter indicating whether and in what re-  
7 spects the Board of Governors agrees or dis-  
8 agrees with the measures set out in the long-  
9 term solvency plan.

10 (4) UPDATES.—

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

16 (B) REVIEW BY BOARD OF GOVERNORS.—  
17 The Board of Governors shall review and sub-  
18 mit to Congress the updates under this para-  
19 graph in accordance with paragraph (3).

20 (c) ANNUAL FINANCIAL PLAN AND BUDGET.—

21 (1) IN GENERAL.—For each of the first 5 full  
22 fiscal years after the date of enactment of this Act,  
23 not later than August 1 of the preceding fiscal year,  
24 the Postmaster General shall submit to the Board of  
25 Governors a financial plan and budget for the fiscal

1 year that is consistent with the goal of promoting  
2 the long-term solvency of the Postal Service.

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

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

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

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

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

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

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

1           (G) include a statement describing meth-  
 2           ods of estimations and significant assumptions;  
 3           and

4           (H) address any other issues that the  
 5           Board of Governors considers appropriate.

6           ~~(3) PROCESS FOR SUBMISSION AND APPROVAL~~  
 7           ~~OF FINANCIAL PLAN AND BUDGET.—~~

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

10                   (i) the Postmaster General;

11                   (ii) the President;

12                   (iii) the Committee on Homeland Se-  
 13                   curity and Governmental Affairs of the  
 14                   Senate; and

15                   (iv) the Committee on Oversight and  
 16                   Government Reform of the House of Rep-  
 17                   resentatives.

18           ~~(B) REVIEW BY THE BOARD OF GOV-~~  
 19           ~~ERNORS.—~~

20                   (i) IN GENERAL.—Upon receipt of a  
 21                   financial plan and budget under paragraph  
 22                   (1), the Board of Governors shall promptly  
 23                   review the financial plan and budget.

24                   (ii) ADDITIONAL INFORMATION.—In  
 25                   conducting the review under this subpara-

1 graph, the Board of Governors may re-  
2 quest any additional information it con-  
3 siders necessary and appropriate to carry  
4 out the duties of the Board of Governors.

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

13 (i) the Board of Governors shall ap-  
14 prove the financial plan and budget and  
15 submit a notice of approval to each covered  
16 recipient; and

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

22 (D) DISAPPROVAL OF FINANCIAL PLAN  
23 AND BUDGET SUBMITTED BY THE POSTMASTER  
24 GENERAL.—

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

9 (I) disapprove the financial plan  
10 and budget;

11 (II) submit to each covered re-  
12 cipient a statement that describes the  
13 reasons for the disapproval;

14 (III) direct the Postmaster Gen-  
15 eral to appropriately revise the finan-  
16 cial plan and budget for the Postal  
17 Service; and

18 (IV) submit the revised financial  
19 plan and budget to each covered re-  
20 cipient.

21 (ii) SUBMISSION TO OFFICE OF MAN-  
22 AGEMENT AND BUDGET.—Upon receipt of  
23 a revised financial plan and budget under  
24 clause (i)(IV), the Postmaster General  
25 shall submit the annual budget program



1 for the relevant fiscal year to the Office of  
 2 Management and Budget in accordance  
 3 with section 2009 of title 39, United  
 4 States Code.

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

13 (i) submit to each covered recipient a  
 14 notice of approval under subparagraph  
 15 (C)(i)(I); or

16 (ii) submit to each covered recipient  
 17 an approved financial plan and budget for  
 18 the fiscal year under subparagraph  
 19 (D)(i)(IV).

20 (F) REVISIONS TO FINANCIAL PLAN AND  
 21 BUDGET.—

22 (i) PERMITTING POSTMASTER GEN-  
 23 ERAL TO SUBMIT REVISIONS.—The Post-  
 24 master General may submit proposed revi-  
 25 sions to the financial plan and budget for

1 a fiscal year to the Board of Governors at  
 2 any time during the fiscal year.

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

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

18 **SEC. 404. CHIEF INNOVATION OFFICER; INNOVATION**  
 19 **STRATEGY.**

20 (a) **CHIEF INNOVATION OFFICER.**—

21 (1) **IN GENERAL.**—Chapter 2 of part I of title  
 22 39, United States Code, is amended by adding at  
 23 the end the following:

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

2 “(a) ESTABLISHMENT.—There shall be in the Postal  
3 Service a Chief Innovation Officer appointed by the Post-  
4 master General.

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

8 “(1) the postal and shipping industry;

9 “(2) innovative product research and develop-  
10 ment;

11 “(3) brand marketing strategy;

12 “(4) new and emerging technology, including  
13 communications technology; or

14 “(5) business process management.

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

17 “(1) innovative postal products and services,  
18 particularly products and services that use new and  
19 emerging technology, including communications  
20 technology, to improve the net financial position of  
21 the Postal Service; and

22 “(2) nonpostal products and services authorized  
23 under section 404(a)(6) that have the potential to  
24 improve the net financial position of the Postal Serv-  
25 ice.

1       “(d) DEADLINE.—The Postmaster General shall ap-  
 2 point a Chief Innovation Officer not later than 90 days  
 3 after the date of enactment of the Postal Reform Act of  
 4 2013.”.

5           (2) TECHNICAL AND CONFORMING AMEND-  
 6       MENT.—The table of sections for chapter 2 of part  
 7 I of title 39, United States Code, is amended by  
 8 adding at the end the following:

“209. Chief Innovation Officer.”.

9       (b) INNOVATION STRATEGY.—

10           (1) INITIAL REPORT ON INNOVATION STRAT-  
 11       EGY.—

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

22           (i) the Committee on Homeland Secu-  
 23 rity and Governmental Affairs of the Sen-  
 24 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, the report on innovation strategy re-  
6 quired under subparagraph ~~(A)~~ shall describe—

7 (i) the specific innovative postal and  
8 nonpostal products and services to be de-  
9 veloped and offered by the Postal Service,  
10 including—

11 (I) the nature of the market de-  
12 mand to be satisfied by each product  
13 or service; and

14 (II) the estimated date by which  
15 each product or service will be intro-  
16 duced;

17 (ii) the cost of developing and offering  
18 each product or service;

19 (iii) the anticipated sales volume for  
20 each product or service;

21 (iv) the anticipated revenues and prof-  
22 its to be generated by each product or  
23 service;

24 (v) the likelihood of success of each  
25 product or service and the risks associated

1 with the development and sale of each  
2 product or service;

3 (vi) the trends anticipated in market  
4 conditions that may affect the success of  
5 each product or service during the 5-year  
6 period beginning on the date of the sub-  
7 mission of the report under subparagraph  
8 (A);

9 (vii) any innovations designed to im-  
10 prove the net financial position of the  
11 Postal Service, other than the offering of  
12 new products and services; and

13 (viii) the metrics that will be used to  
14 assess the effectiveness of the innovation  
15 strategy.

16 (2) ANNUAL REPORT.—

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

1 (i) the Committee on Homeland Security and Governmental Affairs of the Senate; and

2  
3  
4 (ii) the Committee on Oversight and Government Reform of the House of Representatives.

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

8  
9  
10 (i) an update of the initial report on innovation strategy submitted under paragraph (1);

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

14  
15  
16  
17  
18 (iii) an analysis of the performance of each product, service, or other innovation described in the initial report on innovation strategy, including—

19  
20  
21  
22 (I) the revenue generated by each product or service developed in accordance with the innovation strategy under this section and the cost of de-

1                   developing and offering each product or  
2                   service for the preceding year;

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

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

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

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

24                  (VI) the performance of the inno-  
25                  vation strategy according to the



1 metrics described in paragraph  
2 (1)(B)(viii).

3 **SEC. 405. AREA AND DISTRICT OFFICE STRUCTURE.**

4 (a) DEFINITIONS.—In this section—

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

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

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

21 (b) PLAN REQUIRED.—Not later than 1 year after  
22 the date of enactment of this Act, the Postal Service shall  
23 submit to the Committee on Homeland Security and Gov-  
24 ernmental Affairs of the Senate and the Committee on  
25 Oversight and Government Reform of the House of Rep-

1 representatives a comprehensive strategic plan for an area of-  
 2 fice and district office structure that will—

3           (1) be efficient and cost effective;

4           (2) not substantially and adversely affect the  
 5 operations of the Postal Service; and

6           (3) reduce the total number of area and district  
 7 offices.

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

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

21 **SEC. 406. INSPECTOR GENERAL OF THE POSTAL SERVICE.**

22       (a) APPOINTMENT OF INSPECTOR GENERAL OF THE  
 23 POSTAL SERVICE BY PRESIDENT.—The Inspector General  
 24 Act of 1978 (5 U.S.C. App.) is amended—

25           (1) in section 8G—

1 (A) in subsection (a)—

2 (i) in paragraph (2), by striking “the  
3 Postal Regulatory Commission, and the  
4 United States Postal Service” and insert-  
5 ing “and the Postal Regulatory Commis-  
6 sion”;

7 (ii) in paragraph (3), by striking  
8 “subsection (h)(1)” and inserting “sub-  
9 section (g)(1)”; and

10 (iii) in paragraph (4)—

11 (I) in the matter preceding sub-  
12 paragraph (A), by striking “sub-  
13 section (h)(1)” and inserting “sub-  
14 section (g)(1)”;

15 (II) by striking subparagraph  
16 (B); and

17 (III) by redesignating subpara-  
18 graphs (C) through (H) as subpara-  
19 graphs (B) through (G), respectively;

20 (B) in subsection (e), by striking “Except  
21 as provided under subsection (f) of this section,  
22 the” and inserting “The”;

23 (C) by striking subsection (f); and

24 (D) by redesignating subsections (g) and  
25 (h) as subsections (f) and (g), respectively;

1           (2) by inserting after section 8M the following:

2   **“SEC. 8N. SPECIAL PROVISIONS CONCERNING THE INSPEC-**  
3                   **TOR GENERAL OF THE UNITED STATES POST-**  
4                   **AL SERVICE.**

5           “(a) In this section—

6                   “(1) the term ‘Inspector General’ means the In-  
7           specter General of the United States Postal Service;  
8           and

9                   “(2) the term ‘Governors’ has the meaning  
10          given that term in section 102(3) of title 39, United  
11          States Code.

12          “(b) In carrying out the duties and responsibilities  
13          specified in this Act, the Inspector General shall have  
14          oversight responsibility for all activities of the Postal In-  
15          spection Service, including any internal investigation per-  
16          formed by the Postal Inspection Service. The Chief Postal  
17          Inspector shall promptly report the significant activities  
18          being carried out by the Postal Inspection Service to the  
19          Inspector General.

20          “(c)(1)(A) The Inspector General shall be under the  
21          authority, direction, and control of the Governors with re-  
22          spect to audits or investigations, or the issuance of sub-  
23          poenas, which require access to sensitive information con-  
24          cerning—

1           “(i) ongoing civil or criminal investigations or  
2       proceedings;

3           “(ii) undercover operations;

4           “(iii) the identity of confidential sources, in-  
5       cluding protected witnesses;

6           “(iv) intelligence or counterintelligence matters;

7       or

8           “(v) other matters the disclosure of which  
9       would constitute a serious threat to national secu-  
10      rity.

11       “(B) With respect to the information described under  
12      subparagraph (A), the Governors may prohibit the Inspec-  
13      tor General from carrying out or completing any audit or  
14      investigation, or from issuing any subpoena, after the In-  
15      specter General has decided to initiate, carry out, or com-  
16      plete such audit or investigation or to issue such subpoena,  
17      if the Governors determine that such prohibition is nec-  
18      essary to prevent the disclosure of any information de-  
19      scribed under subparagraph (A) or to prevent the signifi-  
20      cant impairment to the national interests of the United  
21      States.

22       “(C) If the Governors exercise any power under sub-  
23      paragraph (A) or (B), the Governors shall notify the In-  
24      specter General in writing stating the reasons for the exer-  
25      cise of such power. Not later than 30 days after receipt

1 of any such notice, the Inspector General shall transmit  
2 a copy of the notice to the Committee on Homeland Secu-  
3 rity and Governmental Affairs of the Senate and the Com-  
4 mittee on Oversight and Government Reform of the House  
5 of Representatives, and to other appropriate committees  
6 or subcommittees of the Congress.

7       “(2) In carrying out the duties and responsibilities  
8 specified in this Act, the Inspector General—

9               “(A) may initiate, conduct, and supervise such  
10 audits and investigations in the United States Postal  
11 Service as the Inspector General considers appro-  
12 priate; and

13               “(B) shall give particular regard to the activi-  
14 ties of the Postal Inspection Service with a view to-  
15 ward avoiding duplication and ensuring effective co-  
16 ordination and cooperation.

17       “(3) Any report required to be transmitted by the  
18 Governors to the appropriate committees or subcommit-  
19 tees of the Congress under section 5(d) shall also be trans-  
20 mitted, within the seven-day period specified under that  
21 section, to the Committee on Homeland Security and Gov-  
22 ernmental Affairs of the Senate and the Committee on  
23 Oversight and Government Reform of the House of Rep-  
24 resentatives.

1       “(d) Nothing in this Act shall restrict, eliminate, or  
2 otherwise adversely affect any of the rights, privileges, or  
3 benefits of either employees of the United States Postal  
4 Service, or labor organizations representing employees of  
5 the United States Postal Service, under chapter 12 of title  
6 39, United States Code, the National Labor Relations Act  
7 (29 U.S.C. 151 et seq.), any handbook or manual affecting  
8 employee labor relations with the United States Postal  
9 Service, or any collective bargaining agreement.

10       “(e) There are authorized to be appropriated, out of  
11 the Postal Service Fund, such sums as may be necessary  
12 for the Office of Inspector General of the United States  
13 Postal Service.”; and

14               (3) in section 12—

15                       (A) in paragraph (1), by striking “or the  
16 Federal Cochairpersons of the Commissions es-  
17 tablished under section 15301 of title 40,  
18 United States Code” and inserting “the Federal  
19 Cochairpersons of the Commissions established  
20 under section 15301 of title 40, United States  
21 Code; or the Board of Governors of the United  
22 States Postal Service”; and

23                       (B) in paragraph (2), by striking “or the  
24 Commissions established under section 15301  
25 of title 40, United States Code” and inserting

1           “the Commissions established under section  
2           15301 of title 40, United States Code, or the  
3           United States Postal Service”.

4           (b) TECHNICAL AND CONFORMING AMENDMENTS.—  
5 Title 39, United States Code, is amended—

6           (1) in section 102(4), by striking “section  
7           202(e) of this title” and inserting “section 3 of the  
8           Inspector General Act of 1978 (5 U.S.C. App.)”;

9           (2) in section 1001(b), in the first sentence, by  
10          inserting “, and section 3 of the Inspector General  
11          Act of 1978 (5 U.S.C. App.)” after “1001(e) of this  
12          title”; and

13          (3) in section 1005(a)(3), by inserting “, and  
14          section 3 of the Inspector General Act of 1978 (5  
15          U.S.C. App.)” after “1001(e) of this title”.

16          (c) APPLICABILITY.—

17          (1) IN GENERAL.—The amendments made by  
18          this section shall apply with respect to the first indi-  
19          vidual appointed as Inspector General of the Postal  
20          Service after the date of enactment of this Act.

21          (2) RULE OF CONSTRUCTION.—Nothing in this  
22          Act may be construed to alter the authority or the  
23          length of the term of the individual serving as In-  
24          spector General of the Postal Service on the date of  
25          enactment of this Act.



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 2013”.

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 a semicolon; 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 Security  
3 Act (42 U.S.C. 416(l)(1));

4           “(22) ‘covered claim for total disability’ means  
5 a claim for a period of total disability that commenced  
6 before the date of enactment of the Workers’ Compensation Reform Act of 2013;  
7

8           “(23) ‘covered claim for partial disability’  
9 means a claim for a period of partial disability that  
10 commenced before the date of enactment of the  
11 Workers’ Compensation Reform Act of 2013; and

12           “(24) ‘individual who has an exempt disability  
13 condition’ means an individual—

14           “(A) who—

15           “(i) is eligible to receive continuous  
16 periodic compensation for total disability  
17 under section 8105 on the date of enactment  
18 of the Workers’ Compensation Reform Act of 2013; and  
19

20           “(ii) meets the criteria under section  
21 8105(e);

22           “(B) who, on the date of enactment of the  
23 Workers’ Compensation Reform Act of 2013—

1           “(i) is eligible to receive continuous  
2           periodic compensation for total disability  
3           under section 8105; and

4           “(ii) has sustained a currently irre-  
5           versible severe mental or physical disability  
6           for which the Secretary of Labor has au-  
7           thorized, for at least the 1-year period end-  
8           ing on the date of enactment of the Work-  
9           ers’ Compensation Reform Act of 2013,  
10          constant in-home care or custodial care,  
11          such as placement in a nursing home; or

12          “(C) who is eligible to receive continuous  
13          periodic compensation for total disability under  
14          section 8105—

15               “(i) for not less than the 3-year pe-  
16               riod ending on the date of enactment of  
17               the Workers’ Compensation Reform Act of  
18               2013; or

19               “(ii) if the individual became eligible  
20               to receive continuous periodic compensa-  
21               tion for total disability under section 8105  
22               during the period beginning on the date  
23               that is 3 years before the date of enact-  
24               ment of the Workers’ Compensation Re-  
25               form Act of 2013 and ending on such date

1 of enactment, for not less than the 3-year  
 2 period beginning on the date on which the  
 3 individual became eligible.”.

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); and

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.—

21 “(A) COVERED RECIPIENTS WHO ARE RE-  
 22 TIREMENT AGE, HAVE AN EXEMPT DISABILITY  
 23 CONDITION, OR FACE FINANCIAL HARDSHIP.—

24 Paragraph (1) shall not apply to a covered

1 claim for total disability by an employee if the  
2 employee—

3 “(i) on the date of enactment of the  
4 Workers’ Compensation Reform Act of  
5 2013, has attained retirement age;

6 “(ii) is an individual who has an ex-  
7 empt disability condition; or

8 “(iii) is a member of a household that  
9 would meet the income and assets require-  
10 ments for eligibility for the supplemental  
11 nutrition assistance program as described  
12 in section 5 of the Food and Nutrition Act  
13 of 2008 (7 U.S.C. 2014) (not including  
14 any provisions permitting eligibility due to  
15 benefits received under any other law) if  
16 the basic compensation for total disability  
17 of the employee were provided in accord-  
18 ance with paragraph (1).

19 “(B) TRANSITION PERIOD FOR CERTAIN  
20 EMPLOYEES.—For a covered claim for total dis-  
21 ability by an employee who is not an employee  
22 described in subparagraph (A), the employee  
23 shall receive the basic compensation for total  
24 disability provided under subsection (a) until  
25 the later of—

1                   “(i) the date on which the employee  
2                   attains retirement age; and

3                   “(ii) the date that is 3 years after the  
4                   date of enactment of the Workers’ Com-  
5                   pensation Reform Act of 2013.”.

6                   ~~(3) PARTIAL DISABILITY.~~—Section 8106 is  
7                   amended—

8                   (A) in subsection (a), by striking “If” and  
9                   inserting “IN GENERAL.—Subject to subsection  
10                  (b), if”;

11                  (B) by redesignating subsections (b) and  
12                  (c) as subsections (c) and (d), respectively; and

13                  (C) by inserting after subsection (a) the  
14                  following:

15                  ~~“(b) CONVERSION OF ENTITLEMENT AT RETIRE-~~  
16                  ~~MENT AGE.—~~

17                  ~~“(1) IN GENERAL.—Except as provided in para-~~  
18                  ~~graph (2), the basic compensation for partial dis-~~  
19                  ~~ability for an employee who has attained retirement~~  
20                  ~~age shall be 50 percent of the difference between the~~  
21                  ~~monthly pay of the employee and the monthly wage-~~  
22                  ~~earning capacity of the employee after the beginning~~  
23                  ~~of the partial disability.~~

24                  ~~“(2) EXCEPTIONS.—~~

1           “~~(A) COVERED RECIPIENTS WHO ARE RE-~~  
2           ~~TIREMENT AGE OR FACE FINANCIAL HARD-~~  
3           ~~SHIP.—Paragraph (1) shall not apply to a cov-~~  
4           ~~ered claim for partial disability by an employee~~  
5           ~~if the employee—~~

6                     “(i) on the date of enactment of the  
7           Workers’ Compensation Reform Act of  
8           2013, has attained retirement age; or

9                     “(ii) is a member of a household that  
10           would meet the income and assets require-  
11           ments for eligibility for the supplemental  
12           nutrition assistance program as described  
13           in section 5 of the Food and Nutrition Act  
14           of 2008 (7 U.S.C. 2014) (not including  
15           any provisions permitting eligibility due to  
16           benefits received under any other law) if  
17           the basic compensation for total disability  
18           of the employee were provided in accord-  
19           ance with paragraph (1).

20           “~~(B) TRANSITION PERIOD FOR CERTAIN~~  
21           ~~EMPLOYEES.—For a covered claim for partial~~  
22           ~~disability by an employee who is not an em-~~  
23           ~~ployee described in subparagraph (A), the em-~~  
24           ~~ployee shall receive basic compensation for par-~~

1            tial disability in accordance with subsection (a)  
2            until the later of—

3                    “(i) the date on which the employee  
4                    attains retirement age; and

5                    “(ii) the date that is 3 years after the  
6                    date of enactment of the Workers’ Com-  
7                    pensation Reform Act of 2013.”.

8    **SEC. 503. AUGMENTED COMPENSATION FOR DEPENDENTS.**

9            (a) IN GENERAL.—Section 8110 is amended—

10                    (1) by redesignating subsection (b) as sub-  
11                    section (e); and

12                    (2) by inserting after subsection (a) the fol-  
13                    lowing:

14                    “(b) TERMINATION OF AUGMENTED COMPENSA-  
15                    TION.—

16                    “(1) IN GENERAL.—Subject to paragraph (2),  
17                    augmented compensation for dependants under sub-  
18                    section (e) shall not be provided.

19                    “(2) EXCEPTIONS.—

20                    “(A) TOTAL DISABILITY.—For a covered  
21                    claim for total disability by an employee—

22                    “(i) the employee shall receive aug-  
23                    mented compensation under subsection (e)  
24                    if the employee is an individual who has an  
25                    exempt disability condition; and



1           “(ii) the employee shall receive aug-  
 2           mented compensation under subsection (e)  
 3           until the date that is 3 years after the date  
 4           of enactment of the Workers’ Compensa-  
 5           tion Reform Act of 2013 if the employee is  
 6           not an employee described in clause (i).

7           “(B) PARTIAL DISABILITY.—For a covered  
 8           claim for partial disability by an employee, the  
 9           employee shall receive augmented compensation  
 10          under subsection (e) until the date that is 3  
 11          years after the date of enactment of the Work-  
 12          ers’ Compensation Reform Act of 2013.

13          “(C) PERMANENT DISABILITY COM-  
 14          PENSATED BY A SCHEDULE.—For a claim for a  
 15          permanent disability described in section  
 16          8107(a) by an employee that commenced before  
 17          the date of enactment of the Workers’ Com-  
 18          pensation Reform Act of 2013, the employee  
 19          shall receive augmented compensation under  
 20          subsection (e).”.

21          (b) MAXIMUM AND MINIMUM MONTHLY PAY-  
 22          MENTS.—Section 8112 is amended—

23                 (1) in subsection (a)—

24                         (A) by inserting “subsections (b) and (c)  
 25                         and” before “section 8138”;

1           (B) by striking “including augmented com-  
2           pensation under section 8110 of this title but”;  
3           and

4           (C) by striking “75 percent” each place it  
5           appears and inserting “66⅔ percent”;

6           (2) by redesignating subsection (b) as sub-  
7           section (c);

8           (3) by inserting after subsection (a) the fol-  
9           lowing:

10          “(b) EXCEPTIONS.—

11           “(1) COVERED DISABILITY CONDITION.—For a  
12           covered claim for total disability by an employee, if  
13           the employee is an individual who has an exempt  
14           disability condition—

15           “(A) the monthly rate of compensation for  
16           disability that is subject to the maximum and  
17           minimum monthly amounts under subsection  
18           (a) shall include any augmented compensation  
19           under section 8110; and

20           “(B) subsection (a) shall be applied by  
21           substituting ‘75 percent’ for ‘66⅔ percent’  
22           each place it appears.

23           “(2) PARTIAL DISABILITY.—For a covered  
24           claim for partial disability by an employee, until the

1 date that is 3 years after the date of enactment of  
2 the Workers' Compensation Reform Act of 2013—

3 “(A) the monthly rate of compensation for  
4 disability that is subject to the maximum and  
5 minimum monthly amounts under subsection  
6 (a) shall include any augmented compensation  
7 under section 8110; and

8 “(B) subsection (a) shall be applied by  
9 substituting ‘75 percent’ for ‘66⅔ percent’  
10 each place it appears.”; and

11 (4) in subsection (e), as redesignated by para-  
12 graph (2), by striking “subsection (a)” and inserting  
13 “subsections (a) and (b)”.

14 (e) DEATH BENEFITS GENERALLY.—Section 8133 is  
15 amended—

16 (1) in subsections (a) and (e), by striking “75  
17 percent” each place it appears and inserting “66⅔  
18 percent (except as provided in subsection (g))”; and

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

20 “(g) If the death occurred before the date of enact-  
21 ment of the Workers' Compensation Reform Act of 2013,  
22 subsections (a) and (e) shall be applied by substituting  
23 ‘75 percent’ for ‘66⅔ percent’ each place it appears.”.

24 (d) DEATH BENEFITS FOR CIVIL AIR PATROL VOL-  
25 UNTEERS.—Section 8141 is amended—

1           (1) in subsection (b)(2)(B) by striking “75 per-  
2           cent” and inserting “66 $\frac{2}{3}$  percent (except as pro-  
3           vided in subsection (c))”;

4           (2) by redesignating subsection (c) as sub-  
5           section (d); and

6           (3) by inserting after subsection (b) the fol-  
7           lowing:

8           “(c) If the death occurred before the date of enact-  
9           ment of the Workers’ Compensation Reform Act of 2013,  
10          subsection (b)(2)(B) shall be applied by substituting ‘75  
11          percent’ for ‘66 $\frac{2}{3}$  percent.’”.

12   **SEC. 504. SCHEDULE COMPENSATION PAYMENTS.**

13          Section 8107 is amended—

14           (1) in subsection (a), by striking “at the rate  
15           of 66 $\frac{2}{3}$  percent of his monthly pay” and inserting  
16           “at the rate specified under subsection (d)”; and

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

18          “(d) **RATE FOR COMPENSATION.—**

19           “(1) **ANNUAL SALARY.—**

20           “(A) **IN GENERAL.—**Except as provided in  
21           paragraph (2), the rate under subsection (a)  
22           shall be the rate of 66 $\frac{2}{3}$  percent of the annual  
23           salary level established under subparagraph  
24           (B), in a lump sum equal to the present value  
25           (as calculated under subparagraph (C)) of the

1 amount of compensation payable under the  
2 schedule.

3 “(B) ESTABLISHMENT.—

4 “(i) IN GENERAL.—The Secretary of  
5 Labor shall establish an annual salary for  
6 purposes of subparagraph (A) in the  
7 amount the Secretary determines will re-  
8 sult in the aggregate cost of payments  
9 made under this section being equal to  
10 what would have been the aggregate cost  
11 of payments under this section if the  
12 amendments made by section 504 of the  
13 Workers’ Compensation Reform Act of  
14 2013 had not been enacted.

15 “(ii) COST OF LIVING ADJUSTMENT.—

16 The annual salary established under clause  
17 (i) shall be increased on March 1 of each  
18 year by the amount determined by the Sec-  
19 retary of Labor to represent the percent  
20 change in the price index published for De-  
21 cember of the preceding year over the price  
22 index published for the December of the  
23 year prior to the preceding year, adjusted  
24 to the nearest one-tenth of 1 percent.

1           “(C) PRESENT VALUE.—The Secretary of  
2           Labor shall calculate the present value for pur-  
3           poses of subparagraph (A) using a rate of inter-  
4           est equal to the average market yield for out-  
5           standing marketable obligations of the United  
6           States with a maturity of 2 years on the first  
7           business day of the month in which the com-  
8           pensation is paid or, in the event that such  
9           marketable obligations are not being issued on  
10          such date, at an equivalent rate selected by the  
11          Secretary of Labor, true discount compounded  
12          annually.

13          “(2) CERTAIN INJURIES.—For an injury that  
14          occurred before the date of enactment of the Work-  
15          ers’ Compensation Reform Act of 2013, the rate  
16          under subsection (a) shall be  $66\frac{2}{3}$  percent of the  
17          employee’s monthly pay.

18          “(e) SIMULTANEOUS RECEIPT.—

19          “(1) TOTAL DISABILITY.—An employee who re-  
20          ceives compensation for total disability under section  
21          8105 may only receive the lump sum of schedule  
22          compensation under this section in addition to and  
23          simultaneously with the benefits for total disability  
24          after the earlier of—

1           “(A) the date on which the basic com-  
2           pensation for total disability of the employee be-  
3           comes 50 percent of the monthly pay of the em-  
4           ployee under section 8105(b); or

5           “(B) the date on which augmented com-  
6           pensation of the employee terminates under sec-  
7           tion 8110(b)(2)(A)(ii), if the employee receives  
8           such compensation.

9           “(2) PARTIAL DISABILITY.—An employee who  
10          receives benefits for partial disability under section  
11          8106 may only receive the lump sum of schedule  
12          compensation under this section in addition to and  
13          simultaneously with the benefits for partial disability  
14          after the earlier of—

15          “(A) the date on which the basic com-  
16          pensation for partial disability of the employee  
17          becomes 50 percent of the difference between  
18          the monthly pay of the employee and the  
19          monthly wage-earning capacity of the employee  
20          after the beginning of the partial disability  
21          under section 8106(b); or

22          “(B) the date on which augmented com-  
23          pensation of the employee terminates under sec-  
24          tion 8110(b)(2)(B), if the employee receives  
25          such compensation.”.

1 **SEC. 505. VOCATIONAL REHABILITATION.**

2 (a) IN GENERAL.—Section 8104 is amended—

3 (1) in subsection (a)—

4 (A) by striking “(a) The Secretary of  
5 Labor may” and all that follows through “un-  
6 dergo vocational rehabilitation.” and inserting  
7 the following:

8 “(a) IN GENERAL.—

9 “(1) DIRECTION.—Except as provided in para-  
10 graph (2), not earlier than the date that is 6 months  
11 after the date on which an individual eligible for  
12 wage-loss compensation under section 8105 or 8106  
13 is injured, or by such other date as the Secretary of  
14 Labor determines it would be reasonable under the  
15 circumstances for the individual to begin vocational  
16 rehabilitation, and if vocational rehabilitation may  
17 enable the individual to become capable of more  
18 gainful employment, the Secretary of Labor shall di-  
19 rect the individual to participate in developing a  
20 comprehensive return to work plan and to undergo  
21 vocational rehabilitation at a location a reasonable  
22 distance from the residence of the individual.”;23 (B) by striking “the Secretary of Health,  
24 Education, and Welfare in carrying out the pur-  
25 poses of chapter 4 of title 29” and inserting  
26 “the Secretary of Education in carrying out the



1 purposes of the Rehabilitation Act of 1973 (29  
2 U.S.C. 701 et seq.)”;

3 (C) by striking “under section 32(b)(1) of  
4 title 29” and inserting “under section 5 of the  
5 Rehabilitation Act of 1973 (29 U.S.C. 704)”;  
6 and

7 (D) by adding at the end the following:

8 “(2) EXCEPTION.—The Secretary of Labor may  
9 not direct an individual who has attained retirement  
10 age to participate in developing a comprehensive re-  
11 turn to work plan or to undergo vocational rehabili-  
12 tation.”;

13 (2) by redesignating subsection (b) as sub-  
14 section (e);

15 (3) by inserting after subsection (a) the fol-  
16 lowing:

17 “(b) CONTENTS OF RETURN TO WORK PLAN.—A re-  
18 turn to work plan developed under subsection (a)—

19 “(1) shall—

20 “(A) set forth specific measures designed  
21 to increase the wage-earning capacity of an in-  
22 dividual;

23 “(B) take into account the prior training  
24 and education of the individual and the train-

1 ing, educational, and employment opportunities  
2 reasonably available to the individual; and

3 “(C) provide that any employment under-  
4 taken by the individual under the return to  
5 work plan be at a location a reasonable distance  
6 from the residence of the individual;

7 “(2) may provide that the Secretary will pay  
8 out of amounts in the Employees’ Compensation  
9 Fund reasonable expenses of vocational rehabilita-  
10 tion (which may include tuition, books, training fees,  
11 supplies, equipment, and child or dependent care)  
12 during the course of the plan; and

13 “(3) may not be for a period of more than 2  
14 years, unless the Secretary finds good cause to grant  
15 an extension, which may be for not more than 2  
16 years.”;

17 (4) in subsection (e), as so redesignated—

18 (A) by inserting “COMPENSATION.—” be-  
19 fore “Notwithstanding”; and

20 (B) by striking “, other than employment  
21 undertaken pursuant to such rehabilitation”;  
22 and

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

24 “(d) ASSISTED REEMPLOYMENT AGREEMENTS.—

1           “(1) IN GENERAL.—The Secretary may enter  
2           into an assisted reemployment agreement with an  
3           agency or instrumentality of any branch of the Fed-  
4           eral Government or a State or local government or  
5           a private employer that employs an individual eligi-  
6           ble for wage-loss compensation under section 8105  
7           or 8106 to enable the individual to return to produc-  
8           tive employment.

9           “(2) CONTENTS.—An assisted reemployment  
10          agreement under paragraph (1)—

11                   “(A) may provide that the Secretary will  
12                   use amounts in the Employees’ Compensation  
13                   Fund to reimburse an employer in an amount  
14                   equal to not more than 100 percent of the com-  
15                   pensation the individual would otherwise receive  
16                   under section 8105 or 8106; and

17                   “(B) may not be for a period of more than  
18                   3 years.

19          “(c) LIST.—To facilitate the hiring of individuals eli-  
20          gible for wage-loss compensation under section 8105 or  
21          8106, the Secretary shall provide a list of such individuals  
22          to the Office of Personnel Management, which the Office  
23          of Personnel Management shall provide to all agencies and  
24          instrumentalities of the Federal Government.”.

1       (b) EMPLOYEES' COMPENSATION FUND.—Section  
2 8147 is amended by adding at the end:

3       “(d) Notwithstanding subsection (b), any benefits or  
4 other payments paid to or on behalf of an employee under  
5 this subchapter or any extension or application thereof for  
6 a recurrence of injury, consequential injury, aggravation  
7 of injury, or increase in percentage of impairment to a  
8 member for which compensation is provided under the  
9 schedule under section 8107 suffered in a permanent posi-  
10 tion with an agency or instrumentality of the United  
11 States while the employment with the agency or instru-  
12 mentality is covered under an assisted reemployment  
13 agreement entered into under section 8104(d) shall not  
14 be included in total cost of benefits and other payments  
15 in the statement provided to the agency or instrumentality  
16 under subsection (b) if the injury was originally incurred  
17 in a position not covered by an assisted reemployment  
18 agreement.”.

19       (c) TERMINATION OF VOCATIONAL REHABILITATION  
20 REQUIREMENT AFTER RETIREMENT AGE.—Section  
21 8113(b) is amended by adding at the end the following:  
22 “An individual who has attained retirement age may not  
23 be required to undergo vocational rehabilitation.”.

1 (d) MANDATORY BENEFIT REDUCTION FOR NON-  
 2 COMPLIANCE.—Section 8113(b) is amended by striking  
 3 “may reduce” and inserting “shall reduce”.

4 (e) TECHNICAL AND CONFORMING AMENDMENTS.—

5 (1) IN GENERAL.—Subchapter III of chapter  
 6 15 of title 31, United States Code, is amended by  
 7 adding at the end the following:

8 **“§ 1538. Authorization for assisted reemployment**

9 “Funds may be transferred from the Employees’  
 10 Compensation Fund established under section 8147 of  
 11 title 5 to the applicable appropriations account for an  
 12 agency or instrumentality of any branch of the Federal  
 13 Government for the purposes of reimbursing the agency  
 14 or instrumentality in accordance with an assisted reem-  
 15 ployment agreement entered into under section 8104 of  
 16 title 5.”.

17 (2) TABLE OF SECTIONS.—The table of sections  
 18 for chapter 15 of title 31, United States Code, is  
 19 amended by inserting after the item relating to sec-  
 20 tion 1537 the following:

“1538. Authorization for assisted reemployment.”.

21 **SEC. 506. REPORTING REQUIREMENTS.**

22 (a) IN GENERAL.—Chapter 81 is amended by insert-  
 23 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 (a) 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 by adding at the end the  
 14          following:

15          ~~“(e) DISABILITY MANAGEMENT REVIEW.—~~  
 16               ~~“(1) DEFINITIONS.—~~In this subsection—  
 17                       ~~“(A) the term ‘covered employee’ means an~~  
 18                       employee who is in continuous receipt of com-  
 19                       pensation for total disability under section 8105  
 20                       for a period of not less than 6 months; and  
 21                       ~~“(B) the term ‘disability management re-~~  
 22                       view process’ means the disability management  
 23                       review process established under paragraph  
 24                       ~~(2)(A).~~

1           “(2) ESTABLISHMENT.—The Secretary of  
2 Labor shall—

3           “(A) establish a disability management re-  
4 view process for the purpose of certifying and  
5 monitoring the disability status and extent of  
6 injury of each covered employee; and

7           “(B) promulgate regulations for the ad-  
8 ministration of the disability management re-  
9 view process.

10          “(3) PHYSICAL EXAMINATIONS REQUIRED.—

11 Under the disability management review process, the  
12 Secretary of Labor shall periodically require covered  
13 employees to submit to physical examinations under  
14 subsection (a) by physicians selected by the Sec-  
15 retary. A physician conducting a physical examina-  
16 tion of a covered employee shall submit to the Sec-  
17 retary a report regarding the nature and extent of  
18 the injury to and disability of the covered employee.

19          “(4) FREQUENCY.—

20           “(A) IN GENERAL.—The regulations pro-  
21 mulgated under paragraph (2)(B) shall specify  
22 the process and criteria for determining when  
23 and how frequently a physical examination  
24 should be conducted for a covered employee.

25           “(B) MINIMUM FREQUENCY.—



1           “(i) INITIAL.—An initial physical ex-  
2           amination shall be conducted not more  
3           than a brief period after the date on which  
4           a covered employee has been in continuous  
5           receipt of compensation for total disability  
6           under section 8015 for 6 months.

7           “(ii) SUBSEQUENT EXAMINATIONS.—  
8           After the initial physical examination,  
9           physical examinations of a covered em-  
10          ployee shall be conducted not less than  
11          once every 3 years.

12          “(5) EMPLOYING AGENCY OR INSTRUMEN-  
13          TALITY REQUESTS.—

14               “(A) IN GENERAL.—The agency or instru-  
15               mentality employing an employee who has made  
16               a claim for compensation for total disability  
17               under section 8105 may at any time submit a  
18               request for the Secretary of Labor to promptly  
19               require the employee to submit to a physical ex-  
20               amination under this subsection.

21               “(B) REQUESTING OFFICER.—A request  
22               under subparagraph (A) shall be made on be-  
23               half of an agency or instrumentality by—

24                       “(i) the head of the agency or instru-  
25                       mentality;

1           “(ii) the Chief Human Capital Officer  
2 of the agency or instrumentality; or

3           “(iii) if the agency or instrumentality  
4 does not have a Chief Human Capital Offi-  
5 cer, an officer with responsibilities similar  
6 to those of a Chief Human Capital Officer  
7 designated by the head of the agency or in-  
8 strumentality to make requests under this  
9 paragraph.

10           “(C) INFORMATION.—A request under sub-  
11 paragraph (A) shall be in writing and accom-  
12 panied by—

13           “(i) a certification by the officer mak-  
14 ing the request that the officer has re-  
15 viewed the relevant material in the employ-  
16 ee’s file;

17           “(ii) an explanation of why the officer  
18 has determined, based on the materials in  
19 the file and other information known to  
20 the officer, that requiring a physical exam-  
21 ination of the employee under this sub-  
22 section is necessary; and

23           “(iii) copies of the materials relating  
24 to the employee that are relevant to the of-  
25 ficer’s determination and request, unless

1           the agency or instrumentality has a rea-  
2           sonable basis for not providing the mate-  
3           rials.

4           “(D) EXAMINATION.—If the Secretary of  
5           Labor receives a request under this paragraph  
6           before an employee has undergone an initial  
7           physical examination under paragraph  
8           (4)(B)(i), the Secretary shall promptly require  
9           the physical examination of the employee. A  
10          physical examination under this subparagraph  
11          shall satisfy the requirement under paragraph  
12          (4)(B)(i) that an initial physical examination be  
13          conducted.

14          “(E) AFTER INITIAL EXAMINATION.—

15                 “(i) IN GENERAL.—If the Secretary of  
16                 Labor receives a request under this para-  
17                 graph after an employee has undergone an  
18                 initial physical examination under para-  
19                 graph (4)(B)(i), the Secretary shall—

20                         “(I) review the request and the  
21                         information, explanation, and other  
22                         materials submitted with the request;  
23                         and

24                         “(II) determine whether to re-  
25                         quire the physical examination of the

1 employee who is the subject of the re-  
2 quest.

3 “(ii) ~~NOT GRANTED.~~—If the Secretary  
4 determines not to grant a request de-  
5 scribed in clause (i), the Secretary shall  
6 promptly notify the officer who made the  
7 request and provide an explanation of the  
8 reasons why the request was denied.”.

9 **SEC. 508. WAITING PERIOD.**

10 (a) ~~IN GENERAL.~~—Section 8117 is amended—

11 (1) in the section heading, by striking “**Time**  
12 **of accrual of right**” and inserting “**Waiting**  
13 **period**”;

14 (2) in subsection (a)—

15 (A) in the matter preceding paragraph (1),  
16 by striking “An employee” and all that follows  
17 through “is not entitled” and inserting “~~IN~~  
18 ~~GENERAL.~~—An employee is not entitled to con-  
19 tinuation of pay within the meaning of section  
20 8118 for the first 3 days of temporary disability  
21 or, if section 8118 does not apply, is not enti-  
22 tled”;

23 (B) in paragraph (1), by adding “or” at  
24 the end;

25 (C) by striking paragraph (2); and

1           (D) by redesignating paragraph (3) as  
2 paragraph (2); and  
3 (3) in subsection (b)—

4           (A) by striking “A Postal Service” the first  
5 place it appears and all that follows through “A  
6 Postal Service” the second place it appears and  
7 inserting “USE OF LEAVE.—An”;

8           (B) by striking “that 3-day period” and in-  
9 serting “the first 3 days of temporary dis-  
10 ability”; and

11           (C) by striking “or is followed by perma-  
12 nent disability”.

13       (b) CONTINUATION OF PAY.—Section 8118 is amend-  
14 ed—

15           (1) in the section heading, by striking “; **elec-**  
16 **tion to use annual or sick leave**”;

17           (2) in subsection (b)(1), by striking “section  
18 8117(b)” and inserting “section 8117”;

19           (3) by striking subsection (c); and

20           (4) by redesignating subsection (d) as sub-  
21 section (e).

22       (c) TECHNICAL AND CONFORMING AMENDMENTS.—  
23 The table of sections for chapter 81 is amended by strik-  
24 ing the items relating to sections 8117 and 8118 and in-  
25 serting the following:

“8117. Waiting period.

“8118. Continuation of pay.”.

1 **SEC. 509. ELECTION OF BENEFITS.**

2 (a) **IN GENERAL.**—Section 8116 is amended by add-  
3 ing at the end the following:

4 “(c) **RETIREMENT BENEFITS.**—

5 “(1) **IN GENERAL.**—An individual entitled to  
6 compensation benefits payable under this subchapter  
7 and under chapter 83 or 84 or any other retirement  
8 system for employees of the Government, for the  
9 same period, shall elect which benefits the individual  
10 will receive.

11 “(2) **ELECTION.**—

12 “(A) **DEADLINE.**—An individual shall  
13 make an election under paragraph (1) in ac-  
14 cordance with such deadlines as the Secretary  
15 of Labor shall establish, which shall be a rea-  
16 sonable period after the individual has received  
17 notice of a final determination that the indi-  
18 vidual is entitled to compensation benefits pay-  
19 able under this subchapter.

20 “(B) **REVOCABILITY.**—An election under  
21 paragraph (1) shall be revocable, notwith-  
22 standing any other provision of law, except for  
23 any period during which an individual—



1           “(1) DEFINITION.—In this subsection, the term  
2           ‘field nurse’ means a registered nurse that assists  
3           the Secretary in the medical management of dis-  
4           ability claims under this subchapter and provides  
5           claimants with assistance in coordinating medical  
6           care.

7           “(2) AUTHORIZATION.—The Secretary may use  
8           field nurses to coordinate medical services and voca-  
9           tional rehabilitation programs for injured employees  
10          under this subchapter. If an employee refuses to co-  
11          operate with a field nurse or obstructs a field nurse  
12          in the performance of duties under this subchapter,  
13          the right to compensation under this subchapter  
14          shall be suspended until the refusal or obstruction  
15          stops.”.

16 **SEC. 511. SUBROGATION OF CONTINUATION OF PAY.**

17          (a) IN GENERAL.—Section 8131 is amended—

18                 (1) in subsection (a), in the matter preceding  
19                 paragraph (1), by inserting “continuation of pay or”  
20                 before “compensation”;

21                 (2) in subsection (b), by inserting “continuation  
22                 of pay or” before “compensation”; and

23                 (3) in subsection (c)—

24                         (A) by inserting “continuation of pay or”  
25                         before “compensation already paid”; and



1           (B) by inserting “continuation of pay or”  
2           before “compensation payable”.

3           (b) ~~ADJUSTMENT AFTER RECOVERY FROM A THIRD~~  
4 ~~PERSON.~~—Section 8132 is amended—

5           (1) in the first sentence—

6           (A) by inserting “continuation of pay or”  
7           before “compensation is payable”;

8           (B) by inserting “continuation of pay or”  
9           before “compensation from the United States”;

10          (C) by striking “by him or in his behalf”  
11          and inserting “by the beneficiary or on behalf  
12          of the beneficiary”;

13          (D) by inserting “continuation of pay and”  
14          before “compensation paid by the United  
15          States”; and

16          (E) by striking “compensation payable to  
17          him” and inserting “continuation of pay or  
18          compensation payable to the beneficiary”;

19          (2) in the second sentence, by striking “his des-  
20          ignee” and inserting “the designee of the bene-  
21          ficiary”; and

22          (3) in the fourth sentence, by striking “If com-  
23          pensation” and all that follows through “payable to  
24          him by the United States” and inserting “If con-  
25          tinuation of pay or compensation has not been paid

1 to the beneficiary, the money or property shall be  
 2 credited against continuation of pay or compensation  
 3 payable to the beneficiary by the United States”.

4 (c) EFFECTIVE DATE.—This section and the amend-  
 5 ments made by this section shall take effect on the date  
 6 of enactment of this Act.

7 **SEC. 512. INTEGRITY AND COMPLIANCE.**

8 (a) IN GENERAL.—Subchapter I of chapter 81 is  
 9 amended by adding at the end the following:

10 **“§ 8153. Integrity and Compliance Program**

11 “(a) DEFINITIONS.—In this section—

12 “(1) the term ‘FECA program’ means the Fed-  
 13 eral Employees Compensation Program administered  
 14 under this subchapter;

15 “(2) the term ‘improper payment’ has the  
 16 meaning given that term in section 2(g) of the Im-  
 17 proper Payments Information Act of 2002 (31  
 18 U.S.C. 3321 note);

19 “(3) the term ‘Inspector General’—

20 “(A) means an Inspector General described  
 21 in subparagraph (A), (B), or (I) of section  
 22 11(b)(1) of the Inspector General Act of 1978  
 23 (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           “(7) sharing and accessing data and informa-  
2           tion with other agencies and instrumentalities of the  
3           United States, including the United States Postal  
4           Service.

5           “(e) INTERAGENCY COOPERATION ON ANTI-FRAUD  
6           EFFORTS.—

7           “(1) IN GENERAL.—In administering the  
8           FECA program, including the Integrity and Compli-  
9           ance Program, the Secretary shall cooperate with  
10          other agencies and instrumentalities of the United  
11          States (including the United States Postal Service)  
12          and the Inspectors General of such agencies and in-  
13          strumentalities to prevent, identify, and recover  
14          fraudulent and other improper payments under the  
15          FECA program.

16          “(2) TASK FORCE.—

17                  “(A) IN GENERAL.—There is established a  
18                  task force, which shall be known as the FECA  
19                  Integrity and Compliance Task Force.

20                  “(B) MEMBERSHIP.—The members of the  
21                  Task Force shall be—

22                          “(i) the Secretary, who shall serve as  
23                          the Chairperson of the Task Force;

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 subelause (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; and

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 (c)(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           ~~penetration, 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 2013, 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 proe-  
9           cess 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 ae-  
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(e)(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)(4) of this Act, by striking “subsection (a)”  
6           and inserting “subsection (a) or (d)”; and

7           (3) inserting before subsection (c) 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 (F) 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 ignated 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;

20 (2) in section 8139, by inserting “under this  
 21 subchapter” after “Compensation awarded”; and

22 (3) in section 8148(a), by striking “section  
 23 8106” and inserting “section 8106a”.

1 **SEC. 516. REGULATIONS.**

2 (a) **IN GENERAL.**—As soon as possible after the date  
3 of enactment of this Act, the Secretary of Labor shall pro-  
4 mulgate regulations (which may include interim final reg-  
5 ulations) to carry out this title.

6 (b) **CONTENTS.**—The regulations promulgated under  
7 subsection (a) shall include, for purposes of the amend-  
8 ments made by sections 502 and 503, clarification of—

9 (1) what is a claim; and

10 (2) what is the date on which a period of dis-  
11 ability, for which a claim is made, commences.

12 **SEC. 517. EFFECTIVE DATE.**

13 Except as otherwise provided in this title, this title  
14 and the amendments made by this title shall take effect  
15 60 days after the date of enactment of this Act.

16 **TITLE VI—PROPERTY MANAGE-**  
17 **MENT AND EXPEDITED DIS-**  
18 **POSAL OF REAL PROPERTY**

19 **SEC. 601. SHORT TITLE.**

20 This title may be cited as the “Federal Real Property  
21 Asset Management Reform Act of 2013”.

22 **SEC. 602. PURPOSE.**

23 The purpose of this title is to increase the efficiency  
24 and effectiveness of the Federal Government in managing  
25 real property by—



1           (1) requiring agencies to maintain an up-to-  
2           date inventory of real property;

3           (2) establishing a Federal Real Property Coun-  
4           cil to develop guidance on and ensure the implemen-  
5           tation of strategies for better managing Federal real  
6           property; and

7           (3) authorizing a pilot program to expedite the  
8           disposal of surplus real property.

9   **SEC. 603. PROPERTY MANAGEMENT AND EXPEDITED DIS-**  
10                                   **POSAL OF REAL PROPERTY.**

11           Chapter 5 of subtitle I of title 40, United States  
12           Code, is amended by adding at the end the following:

13   “SUBCHAPTER VII—PROPERTY MANAGEMENT  
14           AND EXPEDITED DISPOSAL OF REAL PROP-  
15           ERTY

16   “§ 621. Definitions

17           “In this subchapter:

18                   “(1) ADMINISTRATOR.—The term ‘Adminis-  
19           trator’ means the Administrator of General Services.

20                   “(2) COUNCIL.—The term ‘Council’ means the  
21           Federal Real Property Council established by section  
22           623(a).

23                   “(3) DIRECTOR.—The term ‘Director’ means  
24           the Director of the Office of Management and Budg-  
25           et.

1           “(4) DISPOSAL.—The term ‘disposal’ means  
2 any action that constitutes the removal of any real  
3 property from the Federal inventory, including sale,  
4 deed, demolition, or exchange.

5           “(5) EXCESS PROPERTY.—The term ‘excess  
6 property’ means any real property under the control  
7 of a Federal agency that the head of the Federal  
8 agency determines is not required to meet the needs  
9 or responsibilities of the Federal agency.

10          “(6) FEDERAL AGENCY.—The term ‘Federal  
11 agency’ means—

12           “(A) an executive department or inde-  
13 pendent establishment in the executive branch  
14 of the Government; or

15           “(B) a wholly owned Government corpora-  
16 tion.

17          “(7) FIELD OFFICE.—The term ‘field office’  
18 means any office of a Federal agency that is not the  
19 headquarters office location for the Federal agency.

20          “(8) POSTAL PROPERTY.—The term ‘postal  
21 property’ means any building owned by the United  
22 States Postal Service.

23          “(9) SURPLUS PROPERTY.—

24           “(A) IN GENERAL.—The term ‘surplus  
25 property’ means excess real property that is not

1 required to meet the needs or responsibilities of  
2 any Federal agency.

3 “(B) EXCLUSIONS.—The term ‘surplus  
4 property’ does not include—

5 “(i) any military installation (as de-  
6 fined in section 2910 of the Defense Base  
7 Closure and Realignment Act of 1990 (10  
8 U.S.C. 2687 note; Public Law 101–510));

9 “(ii) any property that is excepted  
10 from the definition of the term ‘property’  
11 under section 102;

12 “(iii) Indian and native Eskimo prop-  
13 erty held in trust by the Federal Govern-  
14 ment as described in section  
15 3301(a)(5)(C)(iii);

16 “(iv) real property operated and main-  
17 tained by the Tennessee Valley Authority  
18 pursuant to the Tennessee Valley Author-  
19 ity Act of 1933 (16 U.S.C. 831 et seq.);

20 “(v) any real property the Director  
21 excludes for reasons of national security;

22 “(vi) any public lands (as defined in  
23 section 203 of the Public Lands Corps Act  
24 of 1993 (16 U.S.C. 1722)) administered  
25 by—

1                   “(I) the Secretary of the Interior,  
2                   acting through—

3                   “(aa) the Director of the  
4                   Bureau of Land Management;

5                   “(bb) the Director of the  
6                   National Park Service;

7                   “(cc) the Commissioner of  
8                   Reclamation; or

9                   “(dd) the Director of the  
10                  United States Fish and Wildlife  
11                  Service; or

12                  “(H) the Secretary of Agri-  
13                  culture, acting through the Chief of  
14                  the Forest Service; or

15                  “(vii) any property operated and  
16                  maintained by the United States Postal  
17                  Service.

18                  “(10) UNDERUTILIZED PROPERTY.—The term  
19                  ‘underutilized property’ means a portion or the en-  
20                  tirety of any real property, including any improve-  
21                  ments, that is used—

22                  “(A) irregularly or intermittently by the  
23                  accountable Federal agency for program pur-  
24                  poses of the Federal agency; or

1           “(B) for program purposes that can be  
2           satisfied only with a portion of the property.

3 **“§ 622. Duties of Federal agencies**

4           “Each Federal agency shall—

5           “(1) maintain adequate inventory controls and  
6           accountability systems for real property under the  
7           control of the Federal agency;

8           “(2) develop current and future workforce pro-  
9           jections so as to have the capacity to assess the  
10          needs of the Federal workforce regarding the use of  
11          real property;

12          “(3) continuously survey real property under  
13          the control of the Federal agency to identify excess  
14          property, underutilized property, and other real  
15          property suitable to be used for—

16                 “(A) colocation with other Federal agen-  
17                 cies; or

18                 “(B) consolidation with other facilities;

19          “(4) promptly report excess property and un-  
20          derutilized property to the Administrator;

21          “(5) establish goals that will lead the Federal  
22          agency to reduce excess property and underutilized  
23          property in the inventory of the Federal agency;

1           “(6) submit to the Council a report on all excess  
2           property and underutilized property in the inventory  
3           of the Federal agency, including—

4                   “(A) whether underutilized property can be  
5                   better utilized; and

6                   “(B) the extent to which the Federal agency  
7                   believes that the underutilized property  
8                   serves the needs of the Federal agency to retain  
9                   underutilized property;

10           “(7) adopt workplace practices, configurations,  
11           and management techniques that can achieve increased  
12           levels of productivity and decrease the need  
13           for real property assets;

14           “(8) assess leased space to identify space that  
15           is not fully used or occupied;

16           “(9) on an annual basis and subject to the  
17           guidance of the Council—

18                   “(A) conduct an inventory of real property  
19                   under control of the Federal agency; and

20                   “(B) make an assessment of each real  
21                   property, which shall include—

22                           “(i) the age and condition of the property;  
23                           erty;

24                           “(ii) the size of the property in square  
25                           footage and acreage;

- 1           “(iii) the geographical location of the  
2           property, including an address and descrip-  
3           tion;
- 4           “(iv) the extent to which the property  
5           is being utilized;
- 6           “(v) the actual annual operating costs  
7           associated with the property;
- 8           “(vi) the total cost of capital expendi-  
9           tures associated with the property;
- 10          “(vii) sustainability metrics associated  
11          with the property;
- 12          “(viii) the number of Federal employ-  
13          ees and functions housed at the property;
- 14          “(ix) the extent to which the mission  
15          of the Federal agency is dependent on the  
16          property;
- 17          “(x) the estimated amount of capital  
18          expenditures projected to maintain and op-  
19          erate the property over each of the next 5  
20          years after the date of enactment of this  
21          subchapter; and
- 22          “(xi) any additional information re-  
23          quired by the Administrator to carry out  
24          section 624; and

1           “(10) provide to the Council and the Adminis-  
 2           trator the information described in paragraph (9)(B)  
 3           to be used for the establishment and maintenance of  
 4           the database described in section 624.

5   **“§ 623. Colocation among United States Postal Serv-**  
 6           **ice properties**

7           “(a) IDENTIFICATION OF POSTAL PROPERTY.—Each  
 8           year, the Postmaster General may—

9                   “(1) identify a list of postal properties with  
 10           space available for use by Federal agencies; and

11                   “(2) submit the list to the Council.

12           “(b) SUBMISSION OF LIST OF POSTAL PROPERTIES  
 13           TO FEDERAL AGENCIES.—

14                   “(1) IN GENERAL.—Not later than 30 days  
 15           after the completion of a list under subsection (a),  
 16           the Council shall provide the list to each Federal  
 17           agency.

18                   “(2) REVIEW BY FEDERAL AGENCIES.—Not  
 19           later than 90 days after the receipt of the list sub-  
 20           mitted under paragraph (1), each Federal agency  
 21           shall—

22                           “(A) review the list;

23                           “(B) identify real property assets under  
 24           the control of the Federal agency; and

25                           “(C) recommend colocations if appropriate.



1       “(c) TERMS OF COLOCATION.—On approval of the  
 2 recommendations under subsection (b) by the Postmaster  
 3 General and the applicable agency head, the Federal agen-  
 4 cy or appropriate landholding entity may work with the  
 5 Postmaster General to establish appropriate terms of a  
 6 lease for each postal property.

7       **“§ 624. Establishment of a Federal Real Property**  
 8   **Council**

9       “(a) ESTABLISHMENT.—There is established a Fed-  
 10 eral Real Property Council.

11       “(b) PURPOSE.—The purpose of the Council shall  
 12 be—

13                               “(1) to develop guidance and ensure implemen-  
 14 tation of an efficient and effective real property  
 15 management strategy;

16                               “(2) to identify opportunities for the Federal  
 17 Government to better manage real property assets;  
 18 and

19                               “(3) to reduce the costs of managing real prop-  
 20 erty, including operations, maintenance, and secu-  
 21 rity.

22       “(c) COMPOSITION.—

23                               “(1) IN GENERAL.—The Council shall be com-  
 24 posed exclusively of—

1           “(A) the senior real property officers of  
2 each Federal agency;

3           “(B) the Deputy Director for Management  
4 of the Office of Management and Budget;

5           “(C) the Controller of the Office of Man-  
6 agement and Budget;

7           “(D) the Administrator; and

8           “(E) any other full-time or permanent  
9 part-time Federal officials or employees; as the  
10 Chairperson determines to be necessary.

11          “(2) CHAIRPERSON.—The Deputy Director for  
12 Management of the Office of Management and  
13 Budget shall serve as Chairperson of the Council.

14          “(3) EXECUTIVE DIRECTOR.—

15           “(A) IN GENERAL.—The Chairperson shall  
16 designate an Executive Director to assist in  
17 carrying out the duties of the Council.

18           “(B) QUALIFICATIONS; FULL-TIME.—The  
19 Executive Director shall—

20           “(i) be appointed from among individ-  
21 uals who have substantial experience in the  
22 areas of commercial real estate and devel-  
23 opment, real property management, and  
24 Federal operations and management; and

25           “(ii) serve full time.

1       “(d) MEETINGS.—

2               “(1) IN GENERAL.—The Council shall meet  
3 subject to the call of the Chairperson.

4               “(2) MINIMUM.—The Council shall meet not  
5 fewer than 4 times each year.

6       “(e) DUTIES.—The Council, in consultation with the  
7 Director and the Administrator, shall—

8               “(1) not later than 1 year after the date of en-  
9 actment of this subchapter, establish a real property  
10 management plan template, to be updated annually,  
11 which shall include performance measures, specific  
12 milestones, measurable savings, strategies, and gov-  
13 ernment-wide goals based on the goals established  
14 under section 622(5) to reduce surplus property or  
15 to achieve better utilization of underutilized prop-  
16 erty, and evaluation criteria to determine the effec-  
17 tiveness of real property management that are de-  
18 signed—

19               “(A) to enable Congress and heads of Fed-  
20 eral agencies to track progress in the achieve-  
21 ment of real property management objectives on  
22 a government-wide basis;

23               “(B) to improve the management of real  
24 property; and

1           “(C) to allow for comparison of the per-  
2           formance of Federal agencies against industry  
3           and other public sector agencies in terms of  
4           performance;

5           “(2) develop standard use rates consistent  
6           throughout each category of space and with non-  
7           governmental space use rates;

8           “(3) develop a strategy to reduce the reliance of  
9           Federal agencies on leased space for long-term needs  
10          if ownership would be less costly;

11          “(4) provide guidance on eliminating inefficien-  
12          cies in the Federal leasing process;

13          “(5) compile a list of real property assets that  
14          are field offices that are suitable for colocation with  
15          other real property assets; and

16          “(6) not later than 1 year after the date of en-  
17          actment of this subchapter and annually during the  
18          4-year period beginning on the date that is 1 year  
19          after the date of enactment of this subchapter and  
20          ending on the date that is 5 years after the date of  
21          enactment of this subchapter, the Council shall sub-  
22          mit to the Director a report that contains—

23                  “(A) a list of the remaining excess prop-  
24                  erty, surplus property, and underutilized prop-  
25                  erties of each Federal agency;

1           “(B) the progress of the Council toward  
2           developing guidance for Federal agencies to en-  
3           sure that the assessment required under section  
4           622(9)(B) is carried out in a uniform manner;  
5           and

6           “(C) the progress of Federal agencies to-  
7           ward achieving the goals established under sec-  
8           tion 622(5).

9           “(f) CONSULTATION.—In carrying out the duties de-  
10          scribed in subsection (e), the Council shall also consult  
11          with representatives of—

12                 “(1) State, local, tribal authorities, and affected  
13                 communities; and

14                 “(2) appropriate private sector entities and  
15                 nongovernmental organizations that have expertise  
16                 in areas of—

17                         “(A) commercial real estate and develop-  
18                         ment;

19                         “(B) government management and oper-  
20                         ations;

21                         “(C) space planning;

22                         “(D) community development, including  
23                         transportation and planning; and

24                         “(E) historic preservation.

1       “(g) COUNCIL RESOURCES.—The Director and the  
2 Administrator shall provide staffing, and administrative  
3 support for the Council, as appropriate.

4       **“§ 625. Federal real property inventory and database**

5       “(a) IN GENERAL.—Not later than 1 year after the  
6 date of enactment of this subchapter, the Administrator  
7 shall establish and maintain a single, comprehensive, and  
8 descriptive database of all real property under the custody  
9 and control of all Federal agencies.

10       “(b) CONTENTS.—The database shall include—

11               “(1) information provided to the Administrator  
12 under section 622(9)(B); and

13               “(2) a list of real property disposals completed,  
14 including—

15                       “(A) the date and disposal method used  
16 for each real property;

17                       “(B) the proceeds obtained from the dis-  
18 posal of each real property;

19                       “(C) the amount of time required to dis-  
20 pose of the real property, including the date on  
21 which the real property is designated as excess  
22 property;

23                       “(D) the date on which the property is  
24 designated as surplus property and the date on  
25 which the property is disposed; and

1           “(E) all costs associated with the disposal.

2           “(e) ACCESSIBILITY.—

3           “(1) COMMITTEES.—The database established  
4           under subsection (a) shall be made available on re-  
5           quest to the Committee on Homeland Security and  
6           Governmental Affairs and the Committee on Envi-  
7           ronment and Public Works of the Senate and the  
8           Committee on Oversight and Government Reform  
9           and the Committee on Transportation and Infra-  
10          structure of the House of Representatives.

11          “(2) GENERAL PUBLIC.—Not later than 3 years  
12          after the date of enactment of this subchapter and  
13          to the extent consistent with national security, the  
14          Administrator shall make the database established  
15          under subsection (a) accessible to the public at no  
16          cost through the website of the General Services Ad-  
17          ministration.

18       **“§ 626. Limitation on certain leasing authorities**

19          “(a) IN GENERAL.—Except as provided in subsection  
20          (b), not later than December 31 of each year following  
21          the date of enactment of this subchapter, a Federal agency  
22          with independent leasing authority shall submit to the  
23          Council a list of all leases, including operating leases, in  
24          effect on the date of enactment of this subchapter that  
25          includes—

- 1           “(1) the date on which each lease was executed;
- 2           “(2) the date on which each lease will expire;
- 3           “(3) a description of the size of the space;
- 4           “(4) the location of the property;
- 5           “(5) the tenant agency;
- 6           “(6) the total annual rental rate; and
- 7           “(7) the amount of the net present value of the
- 8           total estimated legal obligations of the Federal Gov-
- 9           ernment over the life of the contract.

10          “(b) EXCEPTION.—Subsection (a) shall not apply

11 to—

- 12           “(1) the United States Postal Service;
- 13           “(2) the Department of Veterans Affairs; or
- 14           “(3) any other property the President excludes
- 15           from subsection (a) for reasons of national security.

16 **“§ 627. Expedited disposal pilot program**

17          “(a) ESTABLISHMENT.—The Director shall establish

18 a pilot program to dispose of, by sale, transfer, or other

19 means of disposal, any surplus property.

20           “(1) PROPERTIES FOR EXPEDITED DISPOSAL.—

21           “(A) IN GENERAL.—On an annual basis,

22 the Director may authorize the expedited dis-

23 posal of not more than 200 surplus properties.

24           “(B) PRIORITY.—In determining which

25 properties to dispose of, the Director shall give



1 priority to surplus properties that have the  
2 highest fair market value and the greatest po-  
3 tential for disposal.

4 “(C) COSTS ASSOCIATED WITH DIS-  
5 POSAL.—

6 “(i) IN GENERAL.—The Administrator  
7 may obligate an amount to pay any direct  
8 and indirect costs under section 572 re-  
9 lated to identifying and preparing prop-  
10 erties to be reported as excess property by  
11 a Federal agency.

12 “(ii) REIMBURSEMENT.—An amount  
13 obligated under clause (i) shall be paid  
14 from the proceeds of any sale of real prop-  
15 erty under this subsection.

16 “(iii) NET PROCEEDS.—Net proceeds  
17 shall be distributed under subsection (b).

18 “(D) MAXIMUM NET PROCEEDS.—Any real  
19 property authorized to be disposed of by sale of  
20 under subparagraph (A) shall disposed of in a  
21 manner that, as determined by the Adminis-  
22 trator in consultation with the head of the ap-  
23 plicable Federal agency, is structured and mar-  
24 keted to maximize the value to the Federal Gov-  
25 ernment.

1           “(E) MONETARY PROCEEDS REQUIRE-  
2           MENT.—Surplus property may be disposed of  
3           under this section only if disposal of the prop-  
4           erty will generate monetary proceeds to the  
5           Federal Government that—

6                   “(i) exceed the costs of disposal of the  
7                   property; and

8                   “(ii) are not less than 90 percent of  
9                   fair market value.

10           “(2) APPLICABILITY OF CERTAIN LAW.—Any  
11           expedited disposal of real property conducted under  
12           this section shall not be subject to—

13                   “(A) any section of An Act Authorizing the  
14                   Transfer of Certain Real Property for Wildlife,  
15                   or Other Purposes (16 U.S.C. 667b);

16                   “(B) sections 107 and 317 of title 23;

17                   “(C) sections 545(b)(8), 550, 553, 554,  
18                   and 1304(b);

19                   “(D) section 501 of the McKinney-Vento  
20                   Homeless Assistance Act (42 U.S.C. 11411);

21                   “(E) section 47151 of title 49; or

22                   “(F) section 13(d) of the Surplus Property  
23                   Act of 1944 (50 U.S.C. App. 1622(d)).

24           “(3) EFFECT.—Except as provided in para-  
25           graph (2), nothing in this subchapter terminates or

1 in any way limits the authority of any Federal agen-  
2 cy under any other provision of law to dispose of  
3 real property.

4 “(b) USE OF PROCEEDS.—

5 “(1) IN GENERAL.—Of the proceeds received  
6 from the disposal of any real property under this  
7 subchapter—

8 “(A) not less than 80 percent shall be re-  
9 turned to the general fund of the Treasury for  
10 debt reduction;

11 “(B) the lesser of 18 percent or the share  
12 of proceeds otherwise authorized to be retained  
13 under law shall be retained by the Federal  
14 agency that has custody and is accountable for  
15 the real property, subject to paragraph (2);

16 “(C) not greater than 2 percent shall be  
17 made available to carry out section 627, subject  
18 to annual appropriations; and

19 “(D) any remaining share of the proceeds  
20 shall be returned to the general fund of the  
21 Treasury for Federal budget deficit reduction.

22 “(2) LIMITATION ON USE OF PROCEEDS.—Any  
23 proceeds retained by Federal agencies under this  
24 section shall be—

1           “(A) deposited into the appropriate real  
2           property account of the Federal agency that  
3           had custody and accountability for the real  
4           property, with the funds expended only as au-  
5           thorized in annual appropriations Acts;

6           “(B) used—

7                   “(i) by not later than 2 years after  
8                   the date of disposal of the real property;  
9                   and

10                   “(ii) only for activities relating to  
11                   Federal real property asset management  
12                   and disposal; and

13           “(C) if not used by the date described in  
14           subparagraph (B)(i), shall be deposited in the  
15           Treasury and used for Federal budget deficit  
16           reduction.

17           “(e) PUBLIC BENEFIT.—

18                   “(1) CONVEYANCE.—Except as provided in  
19                   paragraph (2), if a real property authorized to be  
20                   disposed of under subsection (a) has not been dis-  
21                   posed of by the date that is 2 years after the date  
22                   the property is listed for sale, the Director, in con-  
23                   sultation with the Administrator and the Secretary  
24                   of Housing and Urban Development, may consider a  
25                   request from the disposing Federal agency that the

1 real property be conveyed to State and local govern-  
 2 ments or nonprofit organizations for various public  
 3 purposes or uses as permitted by applicable law.

4 “(2) PREDOMINANT USE AND SIZE STAND-  
 5 ARDS.—

6 “(A) IN GENERAL.—Any real property au-  
 7 thorized to be disposed of under subsection (a)  
 8 shall not be conveyed under paragraph (1) if—

9 “(i) the predominant use of the prop-  
 10 erty is not for housing; and

11 “(ii)(I) the area of the property is not  
 12 less than 25,000 square feet; or

13 “(II) the appraised fair market value  
 14 of the property is greater than \$1,000,000.

15 “(B) APPRAISED FAIR MARKET VALUE.—

16 The appraised fair market value described in  
 17 subparagraph (A)(ii)(II) shall be determined by  
 18 the Federal agency with custody or control of  
 19 the property, in consultation with the Adminis-  
 20 trator and standard appraisal practice.

21 “(d) ENFORCEMENT.—

22 “(1) INCREASE IN SIZE OF INVENTORY.—Ex-  
 23 cept as provided in paragraph (2), if a Federal agen-  
 24 cy fails to make available for public sale the real  
 25 property authorized to be disposed of under sub-

1 section (a) by the date that is 18 months after the  
 2 date on which the authorization is made under sub-  
 3 section (a); that Federal agency, except for specific  
 4 exceptions promulgated by the Director, shall not in-  
 5 crease the size of the civilian real property inventory,  
 6 unless the square footage of the increase is offset,  
 7 within an appropriate time as determined by the Di-  
 8 rector, through consolidation, colocation, or disposal  
 9 of another building space from the inventory of that  
 10 Federal agency.

11 “(2) EXCEPTION.—Paragraph (1) shall not  
 12 apply to a Federal agency that acquires any real  
 13 property not under the administrative jurisdiction of  
 14 the Federal Government, by sale or lease, until the  
 15 Director submits a certification to Congress of the  
 16 disposal of all of those surplus properties.

17 “(e) TERMINATION OF AUTHORITY.—The authority  
 18 provided by this section terminates on the date that is 5  
 19 years after the date of enactment of this subchapter.

20 **“§ 628. Homeless assistance grants**

21 “(a) DEFINITIONS.—In this section:

22 “(1) ELIGIBLE NONPROFIT ORGANIZATION.—  
 23 The term ‘eligible nonprofit organization’ means a  
 24 nonprofit organization that is a representative of the  
 25 homeless.

1           “(2) HOMELESS.—The term ‘homeless’ has the  
2 meaning given the term in section 103 of the  
3 McKinney-Vento Homeless Assistance Act (42  
4 U.S.C. 11302), except that subsection (c) of that  
5 section shall not apply.

6           “(3) PERMANENT HOUSING.—The term ‘perma-  
7 nent housing’ has the meaning given the term in  
8 section 401 of the McKinney-Vento Homeless Assist-  
9 ance Act (42 U.S.C. 11360).

10          “(4) PRIVATE NONPROFIT ORGANIZATION.—  
11 The term ‘private nonprofit organization’ has the  
12 meaning given the term in section 401 of the  
13 McKinney-Vento Homeless Assistance Act (42  
14 U.S.C. 11360).

15          “(5) REPRESENTATIVE OF THE HOMELESS.—  
16 The term ‘representative of the homeless’ has the  
17 meaning given the term in section 501(i) of the  
18 McKinney-Vento Homeless Assistance Act (42  
19 U.S.C. 11411(i)).

20          “(6) SECRETARY.—The term ‘Secretary’ means  
21 the Secretary of Housing and Urban Development.

22          “(7) TRANSITIONAL HOUSING.—The term  
23 ‘transitional housing’ has the meaning given the  
24 term in section 401 of the McKinney-Vento Home-  
25 less Assistance Act (42 U.S.C. 11360).

1 “(b) GRANT AUTHORITY.—

2 “(1) IN GENERAL.—To the extent amounts are  
3 made available under section 626(b)(1)(B) for use  
4 under this section, the Secretary shall make grants  
5 to eligible private nonprofit organizations through  
6 the continuum of care program established under  
7 subtitle C of title IV of the McKinney-Vento Home-  
8 less Assistance Act (42 U.S.C. 11381 et seq.); to  
9 purchase real property suitable for use to assist the  
10 homeless in accordance with subsection (c).

11 “(2) TERMS AND CONDITIONS.—Except as oth-  
12 erwise provided in this section, a grant under this  
13 section shall be subject to the same terms and condi-  
14 tions as a grant under the continuum of care pro-  
15 gram established under subtitle C of title IV of the  
16 McKinney-Vento Homeless Assistance Act (42  
17 U.S.C. 11381 et seq.).

18 “(c) USE OF PROPERTIES FOR HOUSING OR SHEL-  
19 TER FOR THE HOMELESS.—

20 “(1) ELIGIBLE USES.—An eligible private non-  
21 profit organization that receives a grant under sub-  
22 section (b) shall use the amounts received only to  
23 purchase or rehabilitate real property for use to pro-  
24 vide permanent housing, transitional housing, or  
25 temporary shelter to the homeless.



1           “(2) **TERM OF USE.**—The Secretary may not  
2           make a grant under subsection (b) to an eligible pri-  
3           vate nonprofit organization unless the eligible pri-  
4           vate nonprofit organization provides to the Secretary  
5           such assurances as the Secretary determines nec-  
6           essary to ensure that any real property purchased or  
7           rehabilitated using amounts received under the grant  
8           is used only for the uses described in paragraph (1)  
9           for a period of not less than 15 years.

10          “(d) **PREFERENCE.**—In awarding grants under sub-  
11          section (b), the Secretary shall give preference to eligible  
12          private nonprofit organizations that operate within areas  
13          in which Federal real property is being sold under the dis-  
14          posal program authorized under section 626.

15          “(e) **REGULATIONS.**—The Secretary may promulgate  
16          such regulations as are necessary to carry out this sec-  
17          tion.”.

18          **SEC. 604. REPORT OF THE COMPTROLLER GENERAL.**

19          (a) **DRAFT.**—Not later than 3 years after the date  
20          of enactment of this Act, the Comptroller General of the  
21          United States shall submit to Congress a draft report on  
22          the expedited disposal pilot program established by the  
23          amendments made by section 3.

24          (b) **FINAL.**—Not later than 5 years after the date  
25          of enactment of this Act, the Comptroller General of the

1 United States shall submit to Congress a final report on  
 2 the expedited disposal pilot program established by the  
 3 amendments made by section 3.

4 **SEC. 605. TECHNICAL AND CONFORMING AMENDMENT.**

5 The table of sections for chapter 5 of subtitle I of  
 6 title 40, United States Code, is amended by inserting after  
 7 the item relating to section 611 the following:

“SUBCHAPTER VII—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF  
 REAL PROPERTY

“621. Definitions.

“622. Duties of Federal agencies.

“623. Colocation among United States Postal Service properties.

“624. Establishment of a Federal Real Property Council.

“625. Federal real property inventory and database.

“626. Limitation on certain leasing authorities.

“627. Expedited disposal pilot program.

“628. Homeless assistance grants.”.

8 **SECTION 1. SHORT TITLE.**

9 *This Act may be cited as the “Postal Reform Act of*  
 10 *2014”.*

11 **SEC. 2. TABLE OF CONTENTS.**

12 *The table of contents for this Act is as follows:*

*Sec. 1. Short title.*

*Sec. 2. Table of contents.*

*Sec. 3. Definitions.*

**TITLE I—POSTAL SERVICE WORKFORCE**

*Sec. 101. Annual Federal Employee Retirement System and Civil Service Retirement System assessments.*

*Sec. 102. Postal Service authority to negotiate retirement benefit terms for new employees.*

*Sec. 103. Restructuring of payments for retiree health benefits.*

*Sec. 104. Postal Service Health Benefits Program.*

*Sec. 105. Labor disputes.*

*Sec. 106. Prefunding and financial reporting with respect to workers’ compensation liability.*

*Sec. 107. Right of appeal to Merit Systems Protection Board.*

*Sec. 108. Supervisory and other managerial organizations.*

*TITLE II—POSTAL SERVICE OPERATIONS*

- Sec. 201. Maintenance of delivery service standards.*  
*Sec. 202. Preserving mail processing capacity; review of discontinuances, closings, and consolidations.*  
*Sec. 203. Preserving community post offices.*  
*Sec. 204. Changes to mail delivery schedule.*  
*Sec. 205. Delivery point modernization.*  
*Sec. 206. Postal services for market-dominant products.*  
*Sec. 207. Report on pilot program for use of natural gas and propane for postal trucks.*  
*Sec. 208. Capitol Complex post offices.*  
*Sec. 209. Lawful possession of firearms in post office parking lots.*

*TITLE III—POSTAL SERVICE REVENUE*

- Sec. 301. Postal rates.*  
*Sec. 302. Nonpostal services.*  
*Sec. 303. Shipping of wine, beer, and distilled spirits.*

*TITLE IV—POSTAL SERVICE GOVERNANCE*

- Sec. 401. Board of Governors of the Postal Service.*  
*Sec. 402. Strategic Advisory Commission on Postal Service Solvency and Innovation.*  
*Sec. 403. Long-term solvency plan; annual financial plan and budget.*  
*Sec. 404. Chief Innovation Officer; innovation strategy.*  
*Sec. 405. Area and district office structure.*  
*Sec. 406. Inspector General of the Postal Service.*  
*Sec. 407. Postal Regulatory Commission.*  
*Sec. 408. Postal Service contracts and congressional oversight authority.*

*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.*

*TITLE VI—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF REAL PROPERTY*

- Sec. 601. Short title.*  
*Sec. 602. Purpose.*

*Sec. 603. Property management and expedited disposal of real property.*

*Sec. 604. Report of the Comptroller General.*

*Sec. 605. Technical and conforming amendment.*

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

9 **SEC. 101. ANNUAL FEDERAL EMPLOYEE RETIREMENT SYS-**  
10 **TEM AND CIVIL SERVICE RETIREMENT SYS-**  
11 **TEM ASSESSMENTS.**

12 (a) **USE OF POSTAL-SPECIFIC ASSUMPTIONS IN NOR-**  
13 **MAL COST CALCULATION.**—

14 (1) **IN GENERAL.**—*Section 8423(a) of title 5,*  
15 *United States Code, is amended—*

16 (A) *in paragraph (1), by inserting “other*  
17 *than the United States Postal Service” after*  
18 *“Each employing agency”; and*

19 (B) *by adding at the end the following:*

20 “(5)(A) *The United States Postal Service shall*  
21 *contribute to the Fund an amount equal to the prod-*  
22 *uct of—*

1           “(i) the normal-cost percentage, as deter-  
2           mined for employees of the United States Postal  
3           Service under subparagraph (B), multiplied by

4           “(ii) the aggregate amount of basic pay  
5           payable by the United States Postal Service, for  
6           the period involved, to employees of the United  
7           States Postal Service.

8           “(B)(i) In determining the normal-cost percent-  
9           age for employees of the United States Postal Service,  
10          the Office shall use—

11           “(I) demographic factors specific to the em-  
12          ployees; and

13           “(II) appropriate economic assumptions, as  
14          determined by the Office, regarding wage and  
15          salary trends specific to the employees.

16          “(ii) The United States Postal Service shall pro-  
17          vide any data or projections the Office requires in  
18          order to determine the normal-cost percentage for em-  
19          ployees of the United States Postal Service consistent  
20          with clause (i).

21          “(iii) Notwithstanding paragraph (2), in deter-  
22          mining the normal-cost percentage to be applied for  
23          employees of the United States Postal Service, the Of-  
24          fice shall take into account amounts provided under

1 *section 8422 and amounts provided under section*  
2 *1005(g)(3)(A)(i) of title 39.*

3 *“(iv) The Office shall review the determination of*  
4 *the normal-cost percentage for employees of the*  
5 *United States Postal Service and make such adjust-*  
6 *ments as the Office determines are necessary—*

7 *“(I) upon request of the United States Post-*  
8 *al Service, but no more frequently than once each*  
9 *fiscal year; and*

10 *“(II) at any additional times, as the Office*  
11 *considers appropriate.”.*

12 *(2) INITIAL DETERMINATION.—Not later than*  
13 *180 days after the date on which the Office receives*  
14 *the appropriate data or projections from the Postal*  
15 *Service under clause (ii) of section 8423(a)(5)(B) of*  
16 *title 5, United States Code, as added by paragraph*  
17 *(1), the Office shall determine the normal-cost per-*  
18 *centage for employees of the Postal Service in accord-*  
19 *ance with the requirements under such section*  
20 *8423(a)(5)(B).*

21 *(3) APPLICABILITY.—On and after the date on*  
22 *which the Office determines the normal-cost percent-*  
23 *age under paragraph (2), the contributions of the*  
24 *Postal Service to the Civil Service Retirement and*  
25 *Disability Fund relating to employees covered under*

1 *chapter 84 of title 5, United States Code, shall be de-*  
2 *termined in accordance with paragraph (5) of section*  
3 *8423(a) of title 5, United States Code, as added by*  
4 *paragraph (1).*

5 *(b) POSTAL FUNDING SURPLUS OR LIABILITY.—*

6 *(1) TREATMENT OF POSTAL FUNDING SUR-*  
7 *PLUS.—Section 8423(b) of title 5, United States Code,*  
8 *is amended—*

9 *(A) by redesignating paragraph (5) as*  
10 *paragraph (6); and*

11 *(B) by inserting after paragraph (4) the fol-*  
12 *lowing:*

13 *“(5)(A) In this paragraph, the term ‘postal fund-*  
14 *ing surplus’ means the amount by which the amount*  
15 *of supplemental liability computed under paragraph*  
16 *(1)(B) is less than zero.*

17 *“(B) After the date on which the Office deter-*  
18 *mines under paragraph (7)(C) the amount of supple-*  
19 *mental liability computed under paragraph (1)(B) as*  
20 *of the close of the fiscal year ending on September 30,*  
21 *2013, not later than the date on which the Postmaster*  
22 *General makes a request under subparagraph (C) of*  
23 *this paragraph, and if the amount determined under*  
24 *paragraph (7)(C) is less than zero, the Postmaster*  
25 *General may request that some or all of the amount*

1 of the postal funding surplus, not to exceed  
2 \$6,000,000,000, be returned to the United States Post-  
3 al Service, and not later than 10 days after the re-  
4 quest, the Director shall transfer to the United States  
5 Postal Service from the Fund an amount equal to the  
6 portion of the postal funding surplus requested, for  
7 use in accordance with subparagraph (E)(i).

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

21 “(ii) If any amount requested by the Postmaster  
22 General under subparagraph (B) is not transferred  
23 from the Fund as of the close of the fiscal year ending  
24 on September 30, 2014, for purposes of this subpara-  
25 graph, the Office shall recompute the amount of sup-



1        *plemental liability computed under paragraph (1)(B)*  
2        *as of the close of that fiscal year by subtracting from*  
3        *the balance of the Fund the amount requested under*  
4        *subparagraph (B) of this 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, 2014,*  
8        *is less than zero, the Office shall establish an amorti-*  
9        *zation schedule, including a series of equal annual in-*  
10       *stallments that—*

11            *“(i) provide for the liquidation of the postal*  
12        *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)(i).*

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 issued*  
20        *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           *iree Health Benefits Fund for the purpose of re-*  
2           *ducing any Postal Service actuarial liability re-*  
3           *ferred to under section 8909a;*

4           *“(II) by directing that some or all of the*  
5           *amount be transferred to the Civil Service Re-*  
6           *tirement and Disability Fund for the purpose of*  
7           *reducing any supplemental liability under sec-*  
8           *tion 8348(h);*

9           *“(III) by directing that some or all of the*  
10           *amount be transferred to the Civil Service Re-*  
11           *tirement and Disability Fund for the purpose of*  
12           *reducing any supplemental liability under sec-*  
13           *tion 8423(b)(1)(B);*

14           *“(IV) by directing that some or all of the*  
15           *amount be transferred to the Postal Service*  
16           *Workers’ Compensation Accrued Liability Fund*  
17           *for the purpose of reducing any Postal Service*  
18           *actuarial liability under section 2012 of title 39;*  
19           *or*

20           *“(V) as described in clause (i), if none of*  
21           *the liabilities referred to in subclause (I), (II),*  
22           *(III), or (IV) remain unpaid.”.*

23           (2) *SUPPLEMENTAL LIABILITY CALCULATION.—*

1           (A) *FERS*.—Section 8423(b) of title 5,  
2           United States Code, as amended by paragraph  
3           (1) of this subsection, is amended—

4                   (i) in paragraph (6), as so redesign-  
5                   ated, in the matter preceding subpara-  
6                   graph (A), by striking “For the purpose”  
7                   and inserting “Subject to paragraph (7), for  
8                   the purpose”; and

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

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

15                           “(i) demographic factors specific to current  
16                           and former employees of the United States Postal  
17                           Service; and

18                           “(ii) appropriate economic assumptions, as  
19                           determined by the Office, regarding wage and  
20                           salary trends specific to current employees of the  
21                           United States Postal Service.

22                   “(B) The United States Postal Service shall pro-  
23                   vide any data or projections the Office requires in  
24                   order to carry out paragraph (1)(B) consistent with  
25                   subparagraph (A) of this paragraph.

1           “(C) Not later than 180 days after the later of  
2           the date on which the Office receives the appropriate  
3           data or projections from the United States Postal  
4           Service under subparagraph (B) or the date of enact-  
5           ment of the Postal Reform Act of 2014, the Office  
6           shall determine or redetermine whether there is a  
7           postal funding surplus (as defined in paragraph (5))  
8           or a supplemental liability described in paragraph  
9           (1)(B) (and the amount thereof) as of the close of the  
10          fiscal year ending on September 30, 2013, in accord-  
11          ance with the requirements under subparagraph (A)  
12          of this paragraph.”.

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

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

17           “(B)(i)(I) Not later than the date on which the Office  
18           determines the normal-cost percentage under section  
19           101(a)(2) of the Postal Reform Act of 2014, the Office shall  
20           redetermine the Postal surplus or supplemental liability as  
21           of the close of the fiscal year ending on September 30, 2013,  
22           in accordance with the requirements under paragraph (4).

23           “(II) If the result of the redetermination under sub-  
24           clause (I) is a surplus, that amount shall remain in the



1       “(4)(A) For the purpose of carrying out paragraphs  
2 (1) and (2), the Office shall, consistent with section  
3 8423(a)(5)(B), use—

4               “(i) demographic factors specific to current and  
5 former employees of the United States Postal Service;  
6 and

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

10       “(B) The United States Postal Service shall provide  
11 any data or projections the Office requires in order to carry  
12 out paragraphs (1) and (2) consistent with subparagraph  
13 (A) of this paragraph.”.

14 **SEC. 102. POSTAL SERVICE AUTHORITY TO NEGOTIATE RE-**  
15 **TIREMENT BENEFIT TERMS FOR NEW EM-**  
16 **PLOYEES.**

17       (a) **AUTHORITY TO NEGOTIATE RETIREMENT BENEFIT**  
18 **TERMS.—**

19               (1) **COLLECTIVE BARGAINING OVER CERTAIN RE-**  
20 **TIREMENT BENEFITS.—**Section 1005 of title 39,  
21 United States Code, is amended by adding at the end  
22 the following:

23       “(g)(1) In this subsection—

24               “(A) the term ‘collective bargaining agreement’  
25 means a collective bargaining agreement between the

1 *Postal Service and a bargaining representative recog-*  
2 *nized under section 1203 entered into after the date*  
3 *of enactment of the Postal Reform Act of 2014;*

4 “(B) *the term ‘new employee’ means an indi-*  
5 *vidual who becomes an officer or employee of the Post-*  
6 *al Service after the date of enactment of the Postal*  
7 *Reform Act of 2014; and*

8 “(C) *the term ‘not eligible to receive FERS serv-*  
9 *ice credit’, with respect to an officer or employee of*  
10 *the Postal Service, means that service by the officer*  
11 *or employee of the Postal Service as an officer or em-*  
12 *ployee of the Postal Service shall not be creditable*  
13 *service for purposes of chapter 84 of title 5.*

14 “(2)(A) *A collective bargaining agreement may pro-*  
15 *vide, notwithstanding chapter 84 of title 5, that some or*  
16 *all new employees covered under the collective bargaining*  
17 *agreement shall be not eligible to receive FERS service cred-*  
18 *it for service performed during any pay period beginning*  
19 *after the effective date of the provision.*

20 “(B) *If a new employee is not eligible to receive FERS*  
21 *credit pursuant to a collective bargaining agreement, any*  
22 *subsequent service by the new employee as an officer or em-*  
23 *ployee of the Postal Service shall not be creditable service*  
24 *for purposes of chapter 84 of title 5.*

1       “(C) Subject to the requirements under this subsection,  
2 a collective bargaining agreement may include 1 or more  
3 additional retirement benefit plans for the benefit of some  
4 or all new employees covered under the collective bargaining  
5 agreement.

6       “(3)(A) A collective bargaining agreement may estab-  
7 lish, with respect to some or all new employees covered  
8 under the collective bargaining agreement—

9           “(i) without regard to section 8422 of title 5—

10               “(I) the amounts to be deducted and with-  
11 held from the pay of the new employees for de-  
12 posit in the Treasury of the United States to the  
13 credit of the Civil Service Retirement and Dis-  
14 ability Fund; and

15               “(II) the corresponding adjustment under  
16 section 8423(a)(5)(B)(iii) of title 5 to the  
17 amount of the contributions to be made by the  
18 Postal Service to the Fund; and

19           “(ii) for any retirement benefit plan established  
20 under the collective bargaining agreement, the  
21 amounts to be deducted and withheld from the pay of  
22 the new employees under the retirement benefit plan  
23 for the benefit of the new employees.

24       “(B) Except as provided in paragraph (2)(B), a collec-  
25 tive bargaining agreement may establish the amounts de-



1 scribed in subparagraph (A)(i) with respect to some or all  
2 new employees who were covered under a previous collective  
3 bargaining agreement.

4 “(4)(A) A collective bargaining agreement among the  
5 Postal Service and all bargaining representatives recog-  
6 nized under section 1203 may establish, without regard to  
7 section 8432 of title 5, with respect to some or all new em-  
8 ployees covered under the collective bargaining agreement,  
9 whether the Postal Service shall make contributions to the  
10 Thrift Savings Fund for the benefit of the new employees,  
11 and, if the Postal Service shall make such contributions,  
12 the amounts that the Postal Service shall contribute.

13 “(B) A collective bargaining agreement described in  
14 subparagraph (A) may not establish more than 1 option  
15 regarding the contributions by the Postal Service to the  
16 Thrift Savings Fund that will apply to some or all new  
17 employees covered under the agreement.

18 “(C) If a collective bargaining agreement described in  
19 subparagraph (A) is not in effect, and if the Postal Service  
20 or a bargaining representative requests that the Postal  
21 Service and all bargaining representatives commence collec-  
22 tive bargaining to seek such an agreement, the procedures  
23 under section 1207(d) shall apply.

24 “(D) Except as provided in subparagraph (A), nothing  
25 in this subsection or in a provision of a collective bar-

1 *gaining agreement entered under this subsection shall affect*  
 2 *the coverage of an officer or employee of the Postal Service*  
 3 *under subchapter III of chapter 84 of title 5.”.*

4 (2) *APPLICABILITY OF LAWS RELATING TO FED-*  
 5 *ERAL EMPLOYEES.—Section 1005 of title 39, United*  
 6 *States Code, is amended—*

7 (A) *in subsection (d)(1), by striking “Offi-*  
 8 *cers” and inserting “Except as provided in sub-*  
 9 *section (g), officers”;* and

10 (B) *in subsection (f), in the second sen-*  
 11 *tence—*

12 (i) *by inserting “84,” before “87,”; and*

13 (ii) *by striking “this subsection.” and*  
 14 *inserting “this subsection or subsection*  
 15 *(g).”.*

16 (3) *INELIGIBILITY FOR AUTOMATIC ENROLLMENT*  
 17 *IN THRIFT SAVINGS PLAN.—Section 8432(b)(2)(D) of*  
 18 *title 5, United States Code, is amended—*

19 (A) *by striking “clause (ii)” and inserting*  
 20 *“clauses (ii) and (iii)”;* and

21 (B) *by adding at the end following:*

22 *“(iii) An individual for whom a collective bargaining*  
 23 *agreement authorized under section 1005(g)(4) of title 39*  
 24 *establishes whether the Postal Service shall make contribu-*  
 25 *tions to the Thrift Savings Fund for the benefit of the indi-*

1 *vidual and the amount of the contributions shall not be an*  
 2 *eligible individual for purposes of this paragraph.”.*

3 (b) *SPECIAL RULES RELATING TO FERS COVERAGE*  
 4 *FOR COVERED POSTAL EMPLOYEES.—*

5 (1) *IN GENERAL.—Subchapter II of chapter 84 of*  
 6 *title 5, United States Code, is amended by adding at*  
 7 *the end the following:*

8 **“§ 8426. Postal Service retirement**

9 *“(1) The application of sections 8422 and 8423*  
 10 *of this title and subchapters III and VII of this chap-*  
 11 *ter with respect to an officer or employee of the Postal*  
 12 *Service may be modified as provided under section*  
 13 *1005(g) of title 39.”.*

14 (2) *TECHNICAL AND CONFORMING AMEND-*  
 15 *MENTS.—The table of sections for subchapter II of*  
 16 *chapter 84 of title 5, United States Code, is amended*  
 17 *by adding at the end the following:*

*“8426. Postal Service retirement.”.*

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

20 (a) *CONTRIBUTIONS.—Section 8906(g)(2)(A) of title 5,*  
 21 *United States Code, is amended by striking “through Sep-*  
 22 *tember 30, 2016, be paid by the United States Postal Serv-*  
 23 *ice, and thereafter shall” and inserting “after the date of*  
 24 *enactment of the Postal Reform Act of 2014”.*

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

4           (1) in subsection (d)—

5                   (A) by striking paragraph (2) and inserting  
6           the following:

7           “(2)(A) Not later than June 30, 2016, the Office shall  
8 compute, and by June 30 of each succeeding year, the Office  
9 shall recompute, a schedule including a series of annual in-  
10 stallments which provide for the liquidation of the amount  
11 described under subparagraph (B) (regardless of whether  
12 the amount is a liability or surplus) by September 30, 2055,  
13 or within 15 years, whichever is later, including interest  
14 at the rate used in the computations under this subsection.

15           “(B) The amount described in this subparagraph is  
16 the amount, as of the date on which the applicable computa-  
17 tion or recomputation under subparagraph (A) is made,  
18 that is equal to the difference between—

19                   (i) 80 percent of the Postal Service actuarial li-  
20 ability as of September 30 of the preceding fiscal  
21 year; and

22                   (ii) the value of the assets of the Postal Retiree  
23 Health Benefits Fund as of September 30 of the pre-  
24 ceding fiscal year.”;

25           (B) in paragraph (3)—

1                   (i) in subparagraph (A)—

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

4                         (II) in clause (iv), by striking the  
5                         semicolon at the end and inserting a  
6                         period; and

7                         (III) by striking clauses (v)  
8                         through (x); and

9                   (ii) in subparagraph (B)—

10                         (I) in the matter preceding clause  
11                         (i), by striking “2017” and inserting  
12                         “2016”; and

13                         (II) in clause (ii), by striking  
14                         “paragraph (2)(B).” and inserting  
15                         “paragraph (2).”;

16                   (C) by amending paragraph (4) to read as  
17                         follows:

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

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

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

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

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

7                       (A) the net present value of future payments re-  
8                       quired under section 8906(g)(2)(A) for current and  
9                       future United States Postal Service annuitants; and

10                      (B) the net present value as computed under  
11                      paragraph (1) attributable to the future service of  
12                      United States Postal Service employees.”; and

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

14           “(e) Subsections (a) through (d) of this section shall  
15           be subject to section 104 of the Postal Reform Act of 2014.”.

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

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

1 **SEC. 104. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

2 (a) *ESTABLISHMENT.*—

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

6 **“§ 8903c. Postal Service Health Benefits Program**

7 “(a) *DEFINITIONS.*—In this section—

8 “(1) the term ‘initial participating carrier’  
9 means a carrier that enters into a contract with the  
10 Office to participate in the Postal Service Health  
11 Benefits Program during the contract year beginning  
12 in January 2016;

13 “(2) the term ‘Medicare eligible individual’  
14 means an individual who—

15 “(A) is entitled to Medicare part A, but ex-  
16 cluding an individual who is eligible to enroll  
17 under such part under section 1818 of the Social  
18 Security Act (42 U.S.C. 1395i–2); and

19 “(B) is eligible to enroll in Medicare part  
20 B;

21 “(3) the term ‘Medicare part A’ means the Medi-  
22 care program for hospital insurance benefits under  
23 part A of title XVIII of the Social Security Act (42  
24 U.S.C. 1395c et seq.);

25 “(4) the term ‘Medicare part B’ means the Medi-  
26 care program for supplementary medical insurance

1 *benefits under part B of title XVIII of the Social Se-*  
2 *curity Act (42 U.S.C. 1395j et seq.);*

3 “(5) the term ‘Medicare part D’ means the Medi-  
4 *care insurance program established under part D of*  
5 *title XVIII of the Social Security Act (42 U.S.C.*  
6 *1395w–101 et seq.);*

7 “(6) the term ‘Office’ means the Office of Per-  
8 *sonnel Management;*

9 “(7) the term ‘Postal Service’ means the United  
10 *States Postal Service;*

11 “(8) the term ‘Postal Service annuitant’ means  
12 *an annuitant enrolled in a health benefits plan under*  
13 *this chapter whose Government contribution is paid*  
14 *by the Postal Service or the Postal Service Retiree*  
15 *Health Benefits Fund under section 8906(g)(2);*

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

19 “(10) the term ‘Postal Service Health Benefits  
20 *Program’ means the program of health benefits plans*  
21 *established under subsection (c);*

22 “(11) the term ‘Postal Service Medicare eligible  
23 *annuitant’ means an individual who—*

24 “(A) *is a Postal Service annuitant; and*

25 “(B) *is a Medicare eligible individual;*



1           “(12) the term ‘PSHBP plan’ means a health  
2           benefits plan offered under the Postal Service Health  
3           Benefits Program; and

4           “(13) the term ‘qualified carrier’ means a car-  
5           rier for which the total enrollment in the plans pro-  
6           vided under this chapter includes, in the contract  
7           year beginning in January 2015, 5,000 or more en-  
8           rollees who are—

9                       “(A) Postal Service employees; or

10                      “(B) Postal Service annuitants.

11           “(b) APPLICATION OF SECTION.—The requirements  
12           under this section shall—

13                      “(1) apply to the contract year beginning in  
14           January 2016, and each contract year thereafter; and

15                      “(2) supersede other provisions of this chapter to  
16           the extent of any specific inconsistency, as determined  
17           by the Office.

18           “(c) ESTABLISHMENT OF THE POSTAL SERVICE  
19           HEALTH BENEFITS PROGRAM.—

20                      “(1) IN GENERAL.—The Office shall establish the  
21           Postal Service Health Benefits Program, which  
22           shall—

23                               “(A) consist of health benefit plans offered  
24           under this chapter;

25                               “(B) include plans offered by—

1                   “(i) each qualified carrier; and

2                   “(ii) any other carrier determined ap-  
3                   propriate by the Office;

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

7                   “(D) be available for participation by all  
8                   Postal Service annuitants, in accordance with  
9                   subsection (d);

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

15                  “(F) be implemented and administered by  
16                  the Office.

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

1       *and annuitants), taking into specific account the re-*  
 2       *duction in benefits cost for the PSHBP plan due to*  
 3       *the Medicare enrollment requirements under sub-*  
 4       *section (e) and any savings or subsidies resulting*  
 5       *from subsection (f).*

6               “(3) *ACTUARIALLY EQUIVALENT COVERAGE.—*  
 7       *The Office shall ensure that each carrier participating*  
 8       *in the Postal Service Health Benefits Program pro-*  
 9       *vides coverage under the PSHBP plans offered by the*  
 10       *carrier that is actuarially equivalent, as determined*  
 11       *by the Director of the Office, to the coverage that the*  
 12       *carrier provides under the health benefits plans of-*  
 13       *fered by the carrier under the Federal Employee*  
 14       *Health Benefits Program that are not PSHBP plans.*

15               “(d) *ELECTION OF COVERAGE.—*

16               “(1) *IN GENERAL.—Except as provided in para-*  
 17       *graphs (2) and (3), each Postal Service employee and*  
 18       *Postal Service annuitant who elects to receive health*  
 19       *benefits coverage under this chapter—*

20                       “(A) *shall be subject to the requirements*  
 21                       *under this section; and*

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

23               “(2) *ANNUITANTS.—A Postal Service annuitant*  
 24       *shall not be subject to this section if the Postal Service*  
 25       *annuitant—*

1           “(A) is enrolled in a health benefits plan  
2 under this chapter for the contract year begin-  
3 ning in January 2015 that is not a health bene-  
4 fits plan offered by an initial participating car-  
5 rier, unless the Postal Service annuitant volun-  
6 tarily enrolls in a PSHBP plan; or

7           “(B) resides in a geographic area for which  
8 there is not a PSHBP plan in which the Postal  
9 Service annuitant may enroll.

10          “(3) EMPLOYEES.—A Postal Service employee  
11 who is enrolled in a health benefits plan under this  
12 chapter for the contract year beginning in January  
13 2015 that is not a health benefits plan offered by an  
14 initial participating carrier shall not be subject to the  
15 requirements under this section, except that—

16           “(A) if the Postal Service employee changes  
17 enrollment to a different health benefits plan  
18 under this chapter after the start of the contract  
19 year beginning in January 2016, the Postal  
20 Service employee may only enroll in a PSHBP  
21 plan; and

22           “(B) upon becoming a Postal Service annu-  
23 itant, if the Postal Service employee elects to  
24 continue coverage under this chapter, the Postal

1           *Service employee shall enroll in a PSHBP plan*  
2           *during the open season that is—*

3                   “(i) *being held when the Postal Service*  
4                   *employee becomes a Postal Service annu-*  
5                   *itant; or*

6                   “(ii) *if the date on which the Postal*  
7                   *Service employee becomes a Postal Service*  
8                   *annuitant falls outside of an open season,*  
9                   *the first open season following that date.*

10          “(e) *REQUIREMENT OF MEDICARE ENROLLMENT.—*

11                   “(1) *POSTAL SERVICE MEDICARE ELIGIBLE AN-*  
12                   *NUITANTS.—A Postal Service Medicare eligible annu-*  
13                   *itant subject to this section may not continue coverage*  
14                   *under the Postal Service Health Benefits Program*  
15                   *unless the Postal Service Medicare eligible annuitant*  
16                   *enrolls in Medicare part A, Medicare part B, and*  
17                   *Medicare part D (as part of a prescription drug plan*  
18                   *described in subsection (f)).*

19                   “(2) *MEDICARE ELIGIBLE FAMILY MEMBERS.—If*  
20                   *a family member of a Postal Service annuitant who*  
21                   *is subject to this section is a Medicare eligible indi-*  
22                   *vidual, the family member may not be covered under*  
23                   *the Postal Service Health Benefits Program as a fam-*  
24                   *ily member of the Postal Service annuitant unless the*  
25                   *family member enrolls in Medicare part A, Medicare*

1        *part B, and Medicare part D (as part of a prescrip-*  
 2        *tion drug plan described in subsection (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), for*  
 12            *purposes of applying section 8906(b) to the Postal*  
 13            *Service, the weighted average shall be calculated in*  
 14            *accordance with paragraph (2).*

15            “(2) *WEIGHTED AVERAGE CALCULATION.—Not*  
 16            *later than October 1 of each year, the Office shall de-*  
 17            *termine the weighted average of the rates established*  
 18            *pursuant to subsection (c)(2) for PSHBP plans that*  
 19            *will be in effect during the following contract year*  
 20            *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 ensure*  
2           *that each PSHBP plan maintains separate re-*  
3           *serves (including a separate contingency reserve)*  
4           *with respect to the enrollees in the PSHBP plan*  
5           *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 be*  
14          *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 ap-*  
18          *plying 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 this*  
25          *section shall be construed as affecting section 1005(f) of title*

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

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

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

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:*

*“8903c. Postal Service Health Benefits Program.”.*

16 (b) *SPECIAL ENROLLMENT PERIOD FOR POSTAL SERV-*  
17 *ICE MEDICARE ELIGIBLE ANNUITANTS AND MEDICARE EL-*  
18 *IGIBLE FAMILY MEMBERS OF POSTAL SERVICE ANNU-*  
19 *ITANTS.—*

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

24 *“(m)(1)(A) In the case of any individual who is subject*  
25 *to the enrollment requirement of section 8903c(e) of title*



1 5, *United States Code*, who has elected not to enroll (or to  
2 be deemed enrolled) during the individual's initial enroll-  
3 ment period, there shall be a special enrollment period de-  
4 scribed in subparagraph (B).

5 “(B) *The special enrollment period described in this*  
6 *subparagraph is the 6-month period, beginning on August*  
7 *1, 2015 and ending on January 31, 2016.*

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

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

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

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

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

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

24 “(B) *The special enrollment period described in this*  
25 *subparagraph is the period of time equivalent to the period*

1 of time in which the individual has the ability to enroll  
 2 in a PSHBP plan due to the involuntary loss of health care  
 3 coverage, pursuant to chapter 89 of title 5, United States  
 4 Code, and its implementing regulations.

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

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

13 (2) WAIVER OF INCREASE OF PREMIUM.—Section  
 14 1839(b) of the Social Security Act (42 U.S.C.  
 15 1395r(b)) is amended by striking “(i)(4) or (l)” and  
 16 inserting “(i)(4), (l), or (m)”.

17 **SEC. 105. LABOR DISPUTES.**

18 Section 1207(c) of title 39, United States Code, is  
 19 amended—

20 (1) in paragraph (2)—

21 (A) by inserting “(A)” after “(2)”;

22 (B) by striking the last sentence and insert-  
 23 ing “The arbitration board shall render a deci-  
 24 sion not later than 45 days after the date of its  
 25 appointment.”; and

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

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

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

6           “(4) Nothing in this section may be construed to limit  
7 the relevant factors that the arbitration board may take into  
8 consideration in rendering a decision under paragraph  
9 (2).”.

10 **SEC. 106. PREFUNDING AND FINANCIAL REPORTING WITH**

11                   **RESPECT TO WORKERS’ COMPENSATION LI-**

12                   **ABILITY.**

13           (a) *FINANCIAL PROVISIONS RELATING TO WORKERS’*  
14 *COMPENSATION LIABILITY.*—

15                   (1) *IN GENERAL.*—Chapter 20 of title 39, United  
16 States Code, is amended by adding at the end the fol-  
17 lowing:

18 **“§2012. Provisions relating to workers’ compensation**  
19                   **prefunding**

20           “(a) *DEFINITIONS.*—

21                   “(1) *IN GENERAL.*—In this section—

22                           “(A) the term ‘adjusted net income’, except  
23 as provided in paragraph (2), means the net in-  
24 come (or loss) reported by the Postal Service in  
25 the statement of operations included in the an-

1           *nual report required under section*  
2           *3654(a)(1)(B);*

3           *“(B) the term ‘Fund’ means the Postal*  
4           *Service Workers’ Compensation Accrued Liabil-*  
5           *ity Fund established under subsection (b); and*

6           *“(C) the term ‘Postal Service actuarial li-*  
7           *ability’ means, as of September 30 of a fiscal*  
8           *year, the net present value of projected future*  
9           *payments required to be made by the Postal*  
10          *Service under section 8147 of title 5 (including*  
11          *any payments required to be made from the*  
12          *Fund under subsection (f) of this section) on ac-*  
13          *count of injuries or deaths that occurred during*  
14          *that fiscal year or any preceding fiscal year.*

15          *“(2) CALCULATION OF ADJUSTED NET INCOME.—*  
16          *In calculating adjusted net income for a fiscal year—*

17                 *“(A) any payment made under subsection*  
18                 *(e) shall not be taken into account; and*

19                 *“(B) any change in the net present value of*  
20                 *projected future payments required to be made*  
21                 *by the Postal Service under section 8147 of title*  
22                 *5 shall not be taken into account.*

23          *“(b) ESTABLISHMENT.—There is established in the*  
24          *Treasury of the United States a revolving fund, to be called*

1 *the Postal Service Workers' Compensation Accrued Liabil-*  
 2 *ity Fund.*

3 “(c) *AVAILABILITY.*—*The Fund shall be available with-*  
 4 *out fiscal year limitation for payments required under sub-*  
 5 *section (f).*

6 “(d) *INVESTMENT.*—

7 “(1) *IN GENERAL.*—*The Secretary of the Treas-*  
 8 *ury shall immediately invest, in interest-bearing secu-*  
 9 *rities of the United States, such currently available*  
 10 *portions of the Fund as are not immediately required*  
 11 *for payments from the Fund.*

12 “(2) *MANNER OF INVESTMENTS.*—*Investments*  
 13 *under paragraph (1) shall be made in the same man-*  
 14 *ner as investments for the Civil Service Retirement*  
 15 *and Disability Fund under section 8348 of title 5.*

16 “(e) *PAYMENTS TO FUND.*—

17 “(1) *COST ATTRIBUTABLE TO 1 YEAR OF EM-*  
 18 *PLOYEES' SERVICE.*—*Not later than June 30, 2017,*  
 19 *and not later than June 30 of each year thereafter,*  
 20 *the Postal Service shall compute—*

21 “(A) *with respect to each of the 3 preceding*  
 22 *fiscal years, the net present value, as of Sep-*  
 23 *tember 30 of the fiscal year, of projected future*  
 24 *payments required to be paid by the Postal Serv-*  
 25 *ice under section 8147 of title 5 on account of in-*

1           *juries or deaths that occurred during the fiscal*  
2           *year;*

3                   “(B) *for each of the 3 amounts computed*  
4           *under subparagraph (A), the sum of—*

5                           “(i) *the amount; and*

6                           “(ii) *accrued interest on the amount*  
7                           *through September 30 of the preceding fiscal*  
8                           *year; and*

9                   “(C) *the average of the 3 sums computed*  
10           *under subparagraph (B).*

11           “(2) *LIQUIDATION SCHEDULE.—*

12                   “(A) *COMPUTATION; RECOMPUTATION.—Not*  
13           *later than June 30, 2017, the Postal Service*  
14           *shall compute, and not later than June 30 of*  
15           *each year thereafter the Postal Service shall re-*  
16           *compute, a schedule including a series of annual*  
17           *installments that provide for the liquidation of*  
18           *the amount described in subparagraph (B) (re-*  
19           *gardless of whether the amount is a liability or*  
20           *surplus), including interest at the rate used in*  
21           *the computations under paragraph (1), by the*  
22           *later of—*

23                           “(i) *September 30, 2057; or*

24                           “(ii) *September 30 of the fiscal year*  
25                           *that is 15 years after the fiscal year in*

1           *which the computation or recomputation is*  
2           *made.*

3           “(B) *AMOUNT TO BE LIQUIDATED.*—*The*  
4           *amount described in this subparagraph is the*  
5           *difference between—*

6                   “(i) *the difference between—*

7                           “(I) *80 percent of the Postal Serv-*  
8                           *ice actuarial liability as of September*  
9                           *30 of the preceding fiscal year; and*

10                           “(II) *80 percent of the amount*  
11                           *computed under paragraph (1)(C) as*  
12                           *of September 30 of the preceding fiscal*  
13                           *year; and*

14                           “(ii) *the value of the assets of the Fund*  
15                           *as of September 30 of the preceding fiscal*  
16                           *year.*

17           “(3) *LIQUIDATION OF LIABILITY.*—

18                   “(A) *IN GENERAL.*—*Subject to subpara-*  
19                   *graph (B), not later than September 30, 2018,*  
20                   *and not later than September 30 of each year*  
21                   *thereafter, the Postal Service shall pay into the*  
22                   *Fund the lesser of—*

23                           “(i) *the sum of—*

1           “(I) 80 percent of the amount  
2           computed under paragraph (1)(C) dur-  
3           ing the fiscal year; and

4           “(II) any annual installment  
5           computed under paragraph (2)(A); and  
6           “(ii) the amount by which—

7           “(I) the amount of adjusted net  
8           income earned by the Postal Service  
9           during the fiscal year that ended 1  
10          year before the date by which a pay-  
11          ment is required to be made under this  
12          subparagraph; exceeds

13          “(II) \$1,000,000,000.

14          “(B) EXCEPTION.—If the amount of ad-  
15          justed net income earned by the Postal Service  
16          during a fiscal year does not exceed  
17          \$1,000,000,000, the Postal Service shall not be  
18          required to make a payment under this para-  
19          graph during the subsequent fiscal year.

20          “(f) PAYMENTS FROM FUND.—

21                 “(1) IN GENERAL.—Beginning with the fiscal  
22                 year ending on September 30, 2018, for each payment  
23                 that the Postal Service is required to make under sec-  
24                 tion 8147 of title 5 during the fiscal year—



1           “(A) a fraction of the amount of the pay-  
 2           ment shall be paid from the Fund in accordance  
 3           with paragraph (2) of this subsection; and

4           “(B) the remaining amount of the payment  
 5           shall be paid by the Postal Service.

6           “(2) FRACTION.—The fraction to be paid from  
 7           the Fund, as required under paragraph (1), is, with  
 8           respect to the fiscal year during which the payment  
 9           is required to be made, the quotient of—

10           “(A) the value of the assets of the Fund as  
 11           of September 30 of the preceding fiscal year; and

12           “(B) the sum of—

13           “(i) the Postal Service actuarial liabil-  
 14           ity as of the end of the fiscal year before the  
 15           preceding fiscal year, plus interest accrued  
 16           on that amount through the end of the pre-  
 17           ceding fiscal year; and

18           “(ii) the amount calculated under sub-  
 19           section (e)(1)(C) as of the end of the fiscal  
 20           year before the preceding fiscal year, plus  
 21           interest accrued on that amount through the  
 22           end of the preceding fiscal year.

23           “(g) ASSUMPTIONS AND METHODOLOGY.—The as-  
 24           sumptions and methodology used in the computations under  
 25           this section shall be consistent, insofar as reasonable and

1 *appropriate, with the assumptions and methodology used*  
 2 *by the Postal Service in making computations of its assets*  
 3 *and liabilities for the financial reporting required under*  
 4 *section 3654.”.*

5 (2) *TECHNICAL AND CONFORMING AMEND-*  
 6 *MENT.—The table of sections for chapter 20 of title*  
 7 *39, United States Code, is amended by adding at the*  
 8 *end the following:*

*“2012. Provisions relating to workers’ compensation prefunding.”.*

9 (b) *ADDITIONAL ANNUAL FINANCIAL REPORTING.—*

10 (1) *IN GENERAL.—Section 3654(b) of title 39,*  
 11 *United States Code, is amended by adding at the end*  
 12 *the following:*

13 “(4)(A) *Each report required by subsection*  
 14 *(a)(1)(B) shall include, with respect to the workers’*  
 15 *compensation obligations of the Postal Service—*

16 “(i) *as of the last day of the fiscal year to*  
 17 *which the report applies, the amount of the Post-*  
 18 *al Service actuarial liability;*

19 “(ii) *the value of the assets in the Fund,*  
 20 *and the difference between that amount and the*  
 21 *amount of the Postal Service actuarial liability;*

22 “(iii) *the amounts calculated under para-*  
 23 *graphs (1) and (2) of section 2012(e);*

24 “(iv) *significant methods and assumptions*  
 25 *underlying the relevant actuarial valuations;*

1           “(v) any payments to the Fund and from  
2           the Fund for the fiscal year to which the report  
3           applies; and

4           “(vi) the assumed rate of return on balances  
5           of the Fund and the actual rate of return for the  
6           fiscal year to which the report applies.

7           “(B) In this paragraph, the terms ‘Fund’ and  
8           ‘Postal Service actuarial liability’ have the meaning  
9           given those terms in section 2012(a).”.

10           (2) *APPLICABILITY.*—The amendment made by  
11           paragraph (1) shall apply with respect to the report  
12           required under section 3654(a)(1)(B) of title 39,  
13           United States Code, for the fiscal year ending on Sep-  
14           tember 30, 2014, and to such report for each fiscal  
15           year thereafter.

16 **SEC. 107. RIGHT OF APPEAL TO MERIT SYSTEMS PROTEC-**  
17 **TION BOARD.**

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

20           “(I) is an officer or employee of the Postal  
21           Service who—

22           “(aa) is not represented by a bar-  
23           gaining representative recognized under sec-  
24           tion 1203; and

1                   “(bb) is in a supervisory, professional,  
2                   technical, clerical, administrative, or mana-  
3                   gerial position covered by the Executive and  
4                   Administrative Schedule; and”.

5 **SEC. 108. SUPERVISORY AND OTHER MANAGERIAL ORGANI-**  
6                   **ZATIONS.**

7                   Section 1004 of title 39, United States Code, is amend-  
8 ed—

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

11                   (2) in subsection (b), in the second sentence, by  
12 inserting “as provided under subsection (d) and any  
13 changes in, or termination of, pay policies and sched-  
14 ules and fringe benefit programs for members of the  
15 supervisors’ organization as provided under sub-  
16 section (e). Such pay policies and fringe benefit pro-  
17 grams shall reflect adequate differentials in rates of  
18 pay and fringe benefits as provided under subsection  
19 (a)” before the period; and

20                   (3) in subsection (e)(1), by inserting “, or termi-  
21 nation of,” after “any changes in”.

1           **TITLE II—POSTAL SERVICE**  
2                           **OPERATIONS**

3   **SEC. 201. MAINTENANCE OF DELIVERY SERVICE STAND-**  
4                           **ARDS.**

5           (a) *MORATORIUM ON CHANGES IN DELIVERY SERVICE*  
6   *STANDARDS.—The Postal Service shall maintain the service*  
7   *standards for first-class mail and periodicals under part*  
8   *121 of title 39, Code of Federal Regulations, as in effect*  
9   *on October 1, 2013, until the later of—*

10                   (1) *the date that is 2 years after the date of en-*  
11                   *actment of this Act; or*

12                   (2) *the date that is 1 year after the date on*  
13                   *which the Comptroller General of the United States*  
14                   *submits the report required under subsection (b)(2).*

15           (b) *GAO STUDY AND REPORT.—*

16                   (1) *STUDY.—The Comptroller General of the*  
17                   *United States shall conduct a study that assesses—*

18                           (A) *how the Postal Service measures deliv-*  
19                           *ery times for the purpose of determining whether*  
20                           *service standards have been met; and*

21                           (B) *whether the method used by the Postal*  
22                           *Service to measure delivery times reflects the*  
23                           *total period of time beginning when a mailed*  
24                           *item is transferred from a postal customer and*

1           *ending when the mailed item arrives at its final*  
2           *destination.*

3           (2) *REPORT.*—*Not later than 1 year after the*  
4           *date of enactment of this Act, the Comptroller General*  
5           *shall submit to the Committee on Homeland Security*  
6           *and Governmental Affairs of the Senate and the Com-*  
7           *mittee on Oversight and Government Reform of the*  
8           *House of Representatives a report on the findings of*  
9           *the study conducted under paragraph (1) that in-*  
10          *cludes recommendations as to whether the Postal*  
11          *Service should use additional or improved methods*  
12          *to—*

13                   (A) *measure the actual delivery times expe-*  
14                   *rienced by postal customers; and*

15                   (B) *assess compliance with the service*  
16                   *standards promulgated under section 3691 of*  
17                   *title 39, United States Code.*

18           (3) *CONSULTATION.*—*In conducting the study*  
19           *under paragraph (1), the Comptroller General shall*  
20           *consult with the Commission to the extent appro-*  
21           *priate.*

22           (c) *ALTERNATE MEANS OF TRANSPORTATION CON-*  
23           *TRACTS.*—

24                   (1) *MAINTENANCE OF DELIVERY SERVICE STAND-*  
25                   *ARDS.*—*Notwithstanding subsection (a), during the 2-*

1     *year period beginning on the date of enactment of this*  
2     *Act, the Postal Service shall apply the service stand-*  
3     *ards for first-class mail and periodicals under part*  
4     *121 of title 39, Code of Federal Regulations, as in ef-*  
5     *fect on June 30, 2012, to routes on which, as of June*  
6     *30, 2012, first-class mail and periodicals were trans-*  
7     *ported under Alternate Means of Transportation con-*  
8     *tracts with the Postal Service.*

9             (2) *RESTRICTION ON DISCONTINUANCE OF AL-*  
10     *TERNATE MEANS OF TRANSPORTATION CONTRACTS.—*  
11     *Section 404 of title 39, United States Code, as*  
12     *amended by section 302, is amended by adding at the*  
13     *end the following:*

14             “(i) *ALTERNATIVE MEANS OF TRANSPORTATION CON-*  
15     *TRACTS.—*

16             “(1) *DEFINITION.—In this subsection, the term*  
17     *‘covered route’ means a route on which first-class*  
18     *mail and periodicals are transported under an Alter-*  
19     *nate Means of Transportation contract.*

20             “(2) *REQUIREMENTS BEFORE CHANGING TO*  
21     *OTHER MEANS OF TRANSPORTATION.—The Postal*  
22     *Service, prior to making a determination under sub-*  
23     *section (a)(1) to transport first-class mail or periodi-*  
24     *cals on a covered route using a means other than*

1       *under an Alternate Means of Transportation contract,*  
2       *shall consider—*

3               “(A) *the effect of the change on—*

4                       “(i) *each community served by the cov-*  
5                       *ered route;*

6                       “(ii) *businesses, including small busi-*  
7                       *nesses, in the area served by the covered*  
8                       *route; and*

9                       “(iii) *employees of the Postal Service*  
10                      *involved in transportation on the covered*  
11                      *route;*

12               “(B) *whether the change is consistent with*  
13       *the policy of the Government, as stated in section*  
14       *101(b), that the Postal Service shall provide a*  
15       *maximum degree of effective and regular postal*  
16       *services to rural areas, communities, and small*  
17       *towns where post offices are not self-sustaining;*

18               “(C) *the extent to which each community*  
19       *served by the covered route lacks access to Inter-*  
20       *net service;*

21               “(D) *the extent to which postal customers*  
22       *served by the covered route would continue after*  
23       *the change to receive substantially similar access*  
24       *to essential items and time-sensitive communica-*  
25       *tions;*



1           “(E) whether substantial economic savings  
2 to the Postal Service would result from the  
3 change;

4           “(F) the average daily volume of mail  
5 transported on the covered route;

6           “(G) any change in the volume of mail  
7 transported on the covered route during the pre-  
8 ceding 12 months;

9           “(H) the capacity of available transpor-  
10 tation service providers to meet the volume needs  
11 of the Postal Service on the covered route;

12           “(I) the ability of the Postal Service to pro-  
13 cure and access additional transportation capaci-  
14 ty to meet the volume needs of the Postal Service  
15 on the covered route;

16           “(J) the impact of the change on postal fa-  
17 cilities (as that term is defined in subsection (f))  
18 that use the covered route;

19           “(K) the ability of postal facilities described  
20 in subparagraph (J) to continue to provide serv-  
21 ice that complies with applicable service stand-  
22 ards after the change; and

23           “(L) any other factors that the Postal Serv-  
24 ice determines are necessary.

1           “(3) *DETERMINATIONS.*—Any determination of  
2           *the Postal Service to transport first-class mail or*  
3           *periodicals on a covered route using a means other*  
4           *than under an Alternate Means of Transportation*  
5           *contract shall—*

6                     “(A) *be in writing;*

7                     “(B) *include the findings of the Postal Serv-*  
8                     *ice with respect to the considerations required to*  
9                     *be made under paragraph (2); and*

10                    “(C) *be made available by public notice to*  
11                    *persons served by the covered route.*

12           “(4) *ADVANCE NOTICE OF DETERMINATIONS.*—  
13           *The Postal Service shall take no action to transport*  
14           *first-class mail or periodicals on a covered route*  
15           *using a means other than under an Alternate Means*  
16           *of Transportation contract until 60 days after the*  
17           *date on which the Postal Service makes available to*  
18           *persons served by the covered route a written deter-*  
19           *mination under paragraph (3).”.*

20           (3) *REPORT.*—Not later than 2 years after the  
21           *date of enactment of this Act, the Postal Service shall*  
22           *submit to Congress a report on potential cost savings*  
23           *resulting from any decision made during the 2-year*  
24           *period beginning on the date of enactment of this*  
25           *Act—*

1           (A) to transport first-class mail or periodicals on a covered route (as defined in section 404(i)(1) of title 39, United States Code, as added by this section) using a means other than under an Alternate Means of Transportation contract; or

7           (B) to discontinue a post office.

8 **SEC. 202. PRESERVING MAIL PROCESSING CAPACITY; REVIEW OF DISCONTINUANCES, CLOSINGS, AND CONSOLIDATIONS.**

11           (a) **MORATORIUM ON CLOSING OR CONSOLIDATION OF POSTAL FACILITIES.**—The Postal Service may not close or consolidate any postal facility (as that term is defined in section 404(f) of title 39, United States Code, as added by this section) that was open as of October 1, 2013 until the later of—

17           (1) the date that is 2 years after the date of enactment of this Act; or

19           (2) the date that is 1 year after the date on which the Comptroller General of the United States submits the report on delivery service standards required under section 201(b)(2).

23           (b) **PROCEDURES FOR CLOSING OR CONSOLIDATION OF POSTAL FACILITIES.**—Section 404 of title 39, United States Code, is amended by adding at the end the following:

1           “(f) *CLOSING OR CONSOLIDATION OF CERTAIN POSTAL*  
2 *FACILITIES.*—

3           “(1) *DEFINITION.*—*In this subsection, the term*  
4 *‘postal facility’ means a processing and distribution*  
5 *center, processing and distribution facility, network*  
6 *distribution center, or other facility that is operated*  
7 *by the Postal Service, the primary function of which*  
8 *is to sort and process mail.*

9           “(2) *AREA MAIL PROCESSING STUDIES.*—

10           “(A) *APPLICABILITY.*—*In this paragraph—*

11           “(i) *the term ‘area mail processing*  
12 *study’ means an area mail processing feasi-*  
13 *bility study described in section 2–1 of*  
14 *Handbook PO–408 of the Postal Service, en-*  
15 *titled ‘Area Mail Processing Guidelines’, as*  
16 *in effect on October 1, 2013;*

17           “(ii) *the term ‘closing’, with respect to*  
18 *a covered postal facility, means the transfer*  
19 *of all incoming and outgoing mail sortation*  
20 *and processing operations of the covered*  
21 *postal facility to a different covered postal*  
22 *facility;*

23           “(iii) *the term ‘consolidate’, with re-*  
24 *spect to a covered postal facility, means the*  
25 *transfer of either all incoming or all out-*

1           going mail sortation and processing oper-  
2           ations of the covered postal facility to a dif-  
3           ferent covered postal facility; and

4           “(iv) the term ‘covered postal facility’  
5           means a postal facility, the primary func-  
6           tion of which is to sort and process first-  
7           class mail originating or designating with-  
8           in a defined geographic area.

9           “(B) *NEW AREA MAIL PROCESSING STUD-*  
10          *IES.—*Before making a determination under sub-  
11          section (a)(3) as to the necessity for the closing  
12          or consolidation of a covered postal facility, the  
13          Postal Service shall—

14               “(i) conduct an area mail processing  
15               study relating to the covered postal facility  
16               that includes consideration of a plan to re-  
17               duce the capacity of the covered postal facil-  
18               ity without closing the covered postal facil-  
19               ity; and

20               “(ii) upon completing the study under  
21               clause (i)—

22                       “(I) publish the results of the  
23                       study on the website of the Postal Serv-  
24                       ice; and

1           “(II) publish a notice that the  
2           study is complete and the results of the  
3           study are available to the public, in-  
4           cluding on the website of the Postal  
5           Service.

6           “(C) COMPLETED OR ONGOING AREA MAIL  
7           PROCESSING STUDIES.—

8           “(i) IN GENERAL.—In the case of a  
9           covered postal facility described in clause  
10          (ii), the Postal Service shall—

11           “(I) consider a plan to reduce the  
12          capacity of the covered postal facility  
13          without closing the covered postal facil-  
14          ity; and

15           “(II) publish the results of the  
16          consideration under subclause (I) with  
17          or as an amendment to the area mail  
18          processing study relating to the covered  
19          postal facility.

20           “(ii) POSTAL FACILITIES.—A covered  
21          postal facility described in this clause is a  
22          covered postal facility—

23           “(I) for which, as of the date of  
24          enactment of this subsection, an area  
25          mail processing study—

1                   “(aa) has been completed but  
2                   does not include a plan to reduce  
3                   the capacity of the covered postal  
4                   facility without closing the cov-  
5                   ered postal facility; or

6                   “(bb) is in progress; and

7                   “(II) which, as of the date of en-  
8                   actment of this subsection, has not been  
9                   closed or consolidated.

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

14                   “(A) provide notice of the determination  
15                   to—

16                   “(i) Congress; and

17                   “(ii) the Postal Regulatory Commis-  
18                   sion;

19                   “(B) provide adequate public notice of the  
20                   intention of the Postal Service to close or consoli-  
21                   date the postal facility;

22                   “(C) ensure that interested persons have an  
23                   opportunity to submit public comments during a  
24                   45-day period after the Postal Service provides  
25                   the notice of intention under subparagraph (B);

1           “(D) before the 45-day period described in  
2           subparagraph (C), provide public notice of the  
3           opportunity under subparagraph (C) to submit  
4           public comments during that period by—

5                   “(i) publication on the website of the  
6                   Postal Service;

7                   “(ii) posting at the affected postal fa-  
8                   cility; and

9                   “(iii) publicizing the date and location  
10                  of the public community meeting under sub-  
11                  paragraph (E); and

12           “(E) during the 45-day period described in  
13           subparagraph (C), conduct a public meeting that  
14           provides an opportunity for comments to be sub-  
15           mitted verbally or in writing.

16           “(4) FURTHER CONSIDERATIONS.—The Postal  
17           Service, in making a determination under subsection  
18           (a)(3) to close or consolidate a postal facility, shall  
19           consider—

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

22                   “(B) the effect of the closing or consolida-  
23                   tion on the affected community, including the  
24                   impact the closing or consolidation may have on  
25                   a State, region, or locality;



1           “(C) the effect of the closing or consolidation  
2 on the travel times and distances for affected cus-  
3 tomers to access services under the proposed clos-  
4 ing or consolidation;

5           “(D) the effect of the closing or consolida-  
6 tion on delivery times for all classes of mail and  
7 packages;

8           “(E) any characteristics of certain geo-  
9 graphical areas, such as remoteness, broadband  
10 internet availability with a lower rates of access  
11 than the average rate of access in other geo-  
12 graphical areas of the United States, and weath-  
13 er-related obstacles, that may result in the clos-  
14 ing or consolidation having a unique effect;

15           “(F) the effect of the closing or consolidation  
16 on small businesses in the area, including ship-  
17 ping and communications with customers and  
18 suppliers and the corresponding impact on reve-  
19 nues, operations, and growth;

20           “(G) the extent to which significant changes  
21 in delivery service resulting from the closure or  
22 consolidation of the postal facility would affect  
23 the ability of individuals and businesses in the  
24 region served by the postal facility to participate  
25 in the national economy;

1           “(H) the ability of the Postal Service to  
2 maintain a safe working environment at each  
3 postal facility that, as a result of the closing or  
4 consolidation, would process the mail that had  
5 been processed by the closed or consolidated post-  
6 al facility, including by examining—

7                   “(i) the capacity of each affected postal  
8 facility to process a greater volume of mail;

9                   “(ii) the ability of the workforce at  
10 each affected postal facility to handle a  
11 larger workload; and

12                   “(iii) whether the Postal Service would  
13 need to hire additional employees at affected  
14 postal facilities to process the increased vol-  
15 ume of mail;

16           “(I) the extent to which the Postal Service  
17 can take action to mitigate significant negative  
18 impacts identified through the considerations  
19 under this paragraph; and

20                   “(J) any other factor the Postal Service de-  
21 termines is necessary.

22           “(5) NOTICE OF FINAL DETERMINATION; JUS-  
23 TIFICATION STATEMENT.—If the Postal Service deter-  
24 mines to close or consolidate a postal facility, the

1 *Postal Service shall post on the website of the Postal*  
2 *Service—*

3 “(A) *notice of the final determination to*  
4 *close or consolidate the postal facility; and*

5 “(B) *a closing or consolidation justification*  
6 *statement that includes—*

7 “(i) *a response to the public comments*  
8 *received with respect to the considerations*  
9 *described under paragraph (4);*

10 “(ii) *a description of the consider-*  
11 *ations made by the Postal Service under*  
12 *paragraph (4); and*

13 “(iii) *the actions that the Postal Serv-*  
14 *ice will take to mitigate any significant*  
15 *negative effects identified under paragraph*  
16 *(4).*

17 “(6) *CLOSING OR CONSOLIDATION OF POSTAL FA-*  
18 *CILITIES.—*

19 “(A) *IN GENERAL.—Not earlier than 15*  
20 *days after the date on which the Postal Service*  
21 *posts notice of a final determination and a jus-*  
22 *tification statement under paragraph (5) with*  
23 *respect to a postal facility, the Postal Service*  
24 *may close or consolidate the postal facility.*

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

10          “(7) *PROTECTION OF CERTAIN INFORMATION.*—  
11          *Nothing in this subsection shall be construed to re-*  
12          *quire the Postal Service to disclose any—*

13                 “(A) *proprietary data;*

14                 “(B) *information relating to the security of*  
15                 *a postal facility; or*

16                 “(C) *information that is exempt from dis-*  
17                 *closure under section 552 of title 5.*

18          “(8) *POSTAL REGULATORY COMMISSION AP-*  
19          *PEALS.*—

20                 “(A) *RIGHT TO APPEAL.*—*A determination*  
21                 *of the Postal Service to close or consolidate any*  
22                 *postal facility may be appealed by any person*  
23                 *served by the postal facility to the Postal Regu-*  
24                 *latory Commission not later than 30 days after*

1           *the date on which the determination is posted on*  
2           *the Postal Service website under paragraph (5).*

3           “(B) *REVIEW BASED ON RECORD.*—*The*  
4           *Commission shall review a determination ap-*  
5           *pealed under this paragraph on the basis of the*  
6           *record before the Postal Service in the making of*  
7           *the determination.*

8           “(C) *DEADLINE FOR COMMISSION DETER-*  
9           *MINATION.*—*The Commission shall make a deter-*  
10           *mination based upon a review conducted under*  
11           *subparagraph (B) not later than 90 days after*  
12           *the date on which the Commission receives the*  
13           *appeal of the determination under subparagraph*  
14           *(A).*

15           “(D) *BASES FOR SETTING ASIDE POSTAL*  
16           *SERVICE DETERMINATIONS.*—*In making a deter-*  
17           *mination under subparagraph (C), the Commis-*  
18           *sion shall set aside any determination, finding,*  
19           *or conclusion of the Postal Service that the Com-*  
20           *mission determines—*

21                   *“(i) is arbitrary, capricious, an abuse*  
22                   *of discretion, or otherwise not in accordance*  
23                   *with the law;*

1           “(ii) is without observance of the pro-  
2           cedures required under this subsection or  
3           any other applicable law; or

4           “(iii) is unsupported by substantial  
5           evidence on the record.

6           “(E) *OPTION TO AFFIRM OR REMAND.*—The  
7           Commission—

8           “(i) may affirm a determination of the  
9           Postal Service appealed under this para-  
10          graph or order that the entire matter be re-  
11          turned for further consideration; and

12          “(ii) may not modify the determina-  
13          tion of the Postal Service.

14          “(F) *TEMPORARY SUSPENSION.*—The Com-  
15          mission may suspend the effectiveness of a deter-  
16          mination of the Postal Service appealed under  
17          this paragraph until the final disposition of the  
18          appeal.

19          “(G) *APPLICABILITY OF OTHER LAWS.*—The  
20          provisions of section 556, section 557, and chap-  
21          ter 7 of title 5 shall not apply to any review car-  
22          ried out by the Commission under this para-  
23          graph.

1           “(H) *DATE OF RECEIPT OF APPEAL.*—For  
2 purposes of subparagraph (A), any appeal re-  
3 ceived by the Commission shall—

4           “(i) if sent to the Commission through  
5 the mails, be considered to have been re-  
6 ceived on the date of the Postal Service post-  
7 mark on the envelope or other cover in  
8 which the appeal is mailed; or

9           “(ii) if otherwise lawfully delivered to  
10 the Commission, be considered to have been  
11 received on the date determined based on  
12 any appropriate documentation or other in-  
13 dicia (as determined under regulations of  
14 the Commission).”.

15 **SEC. 203. PRESERVING COMMUNITY POST OFFICES.**

16       Section 404(d) of title 39, United States Code, is  
17 amended—

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

20           “(8) *DATE OF RECEIPT OF APPEALS.*—For pur-  
21 poses of paragraph (7)”;

22           (2) by striking “(5) A determination” and in-  
23 serting the following:

24           “(7) *APPEALS.*—A determination”;

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

4           “(d) *DISCONTINUANCE OF POST OFFICES.*—

5           “(1) *DEFINITIONS.*—*In this subsection—*

6           “(A) *the term ‘discontinuance’ has the*  
7           *meaning given the term in section 241.3 of title*  
8           *39, Code of Federal Regulations, as in effect on*  
9           *November 1, 2013;*

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

11           “(i) *a county, municipality, city,*  
12           *town, township, local public authority, spe-*  
13           *cial district, intrastate district, council of*  
14           *government, or regional or interstate gov-*  
15           *ernment entity;*

16           “(ii) *an agency or instrumentality of*  
17           *an entity described in clause (i); or*

18           “(iii) *a rural community, an unincor-*  
19           *porated town or village, or an instrumen-*  
20           *tality of a rural community or an unincor-*  
21           *porated town or village;*

22           “(C) *the term ‘post office’ means a post of-*  
23           *fice, post office branch, post office classified sta-*  
24           *tion, or other facility that is operated by the*



1           *Postal Service, the primary function of which is*  
2           *to provide retail postal services; and*

3           “(D) the term ‘rural post office’ means a  
4           post office that is—

5                   “(i) in a rural area, as defined by the  
6                   Census Bureau; and

7                   “(ii) within the K or L cost ascertain-  
8                   ment grouping, as classified by the Postal  
9                   Service.

10           “(2) *PRELIMINARY CONSIDERATIONS.*—*The Post-*  
11           *al Service, prior to making a determination under*  
12           *subsection (a)(3) of this section as to the necessity for*  
13           *the discontinuance of any post office, and, with re-*  
14           *spect to a determination to discontinue a rural post*  
15           *office, prior to making the determinations required*  
16           *under paragraph (5), shall—*

17                   “(A) consider whether—

18                           “(i) to discontinue the post office and  
19                           combine it with another post office located  
20                           within a reasonable distance;

21                           “(ii) instead of discontinuing the post  
22                           office—

23                                   “(I) to reduce the number of hours  
24                                   a day that the post office operates; or

1           “(II) to continue operating the  
2           post office for the same number of  
3           hours a day;

4           “(iii) to procure a contract providing  
5           full, or less than full, retail postal services  
6           in the community served by the post office;  
7           or

8           “(iv) to provide postal services to the  
9           community served by the post office—

10           “(I) through a letter carrier or by  
11           Alternate Means of Transportation de-  
12           livery contract;

13           “(II) by collocating postal services  
14           at a commercial or government entity;  
15           or

16           “(III) by implementing an alter-  
17           native proposal made by a local gov-  
18           ernment under subparagraph (B)(iii);

19           “(B) provide—

20           “(i) relevant information on financial  
21           costs associated with the operations of the  
22           post office to postal customers and local gov-  
23           ernments served by the post office;

24           “(ii) postal customers served by the  
25           post office an opportunity to present their

1           *views, which may be by nonbinding survey*  
2           *conducted by mail; and*

3           “(iii) *local governments served by the*  
4           *post office an opportunity to present alter-*  
5           *native proposals for providing postal serv-*  
6           *ices to the community; and*

7           “(C) *if the Postal Service determines to dis-*  
8           *continue the post office, provide adequate public*  
9           *notice of its intention to discontinue the post of-*  
10          *lice at least 60 days prior to the proposed date*  
11          *of the discontinuance to persons and local gov-*  
12          *ernments served by the post office.*

13          “(3) *CONSIDERATIONS.—The Postal Service, in*  
14          *making a determination whether or not to discontinue*  
15          *a post office—*

16                 “(A) *shall consider—*

17                         “(i) *the effect of the discontinuance on*  
18                         *the community served by the post office;*

19                         “(ii) *the effect of the discontinuance on*  
20                         *businesses, including small businesses, in*  
21                         *the area;*

22                         “(iii) *the effect of the discontinuance*  
23                         *on employees of the Postal Service employed*  
24                         *at the post office;*

1           “(iv) whether the discontinuance would  
2           have a significant adverse effect on regular  
3           postal services to rural areas, communities,  
4           and small towns where post offices are not  
5           self-sustaining;

6           “(v) the extent to which the community  
7           served by the post office lacks access to  
8           Internet, broadband, or cellular telephone  
9           service;

10           “(vi) the extent to which postal cus-  
11           tomers served by the post office would con-  
12           tinue after the discontinuance to receive  
13           substantially similar access to essential  
14           items, such as prescription drugs and time-  
15           sensitive communications;

16           “(vii) the proximity and accessibility  
17           of other post offices;

18           “(viii) whether substantial economic  
19           savings to the Postal Service would result  
20           from the discontinuance; and

21           “(ix) any other factors that the Postal  
22           Service determines are necessary; and

23           “(B) may not consider compliance with any  
24           provision of the Occupational Safety and Health  
25           Act of 1970 (29 U.S.C. 651 et seq.).

1           “(4) *WRITTEN DETERMINATION AND FINDINGS.*—

2           “(A) *IN GENERAL.*—*Any determination of*  
3 *the Postal Service to discontinue a post office*  
4 *shall—*

5                     “(i) *be in writing;*

6                     “(ii) *include the findings of the Postal*  
7 *Service with respect to the considerations*  
8 *required to be made under paragraph (3);*  
9 *and*

10                    “(iii) *with respect to a determination*  
11 *to discontinue a rural post office, include a*  
12 *summary of the determinations required*  
13 *under paragraph (5).*

14           “(B) *AVAILABILITY OF FINDINGS.*—*The*  
15 *Postal Service shall make available, to persons*  
16 *served by a post office that the Postal Service de-*  
17 *termines to discontinue, any determination and*  
18 *findings under subparagraph (A) with respect to*  
19 *that post office.*

20           “(C) *NOTICE BEFORE DISCONTINUANCE.*—  
21 *The Postal Service may not take any action to*  
22 *discontinue a post office until 60 days after the*  
23 *date on which the Postal Service makes avail-*  
24 *able, to persons served by the post office, the*  
25 *written determination and findings with respect*

1           to the post office as required under subparagraph  
2           (B).

3           “(5) *RURAL POST OFFICES.*—

4                   “(A) *MORATORIUM ON DISCONTINUANCE OF*  
5           *RURAL POST OFFICES.*—*The Postal Service may*  
6           *not discontinue a rural post office during the 1-*  
7           *year period beginning on the date of enactment*  
8           *of the Postal Reform Act of 2014.*

9                   “(B) *REQUIREMENTS FOR DISCONTINUANCE*  
10           *OF RURAL POST OFFICES.*—*The Postal Service*  
11           *may not make a determination under subsection*  
12           *(a)(3) to discontinue a rural post office unless*  
13           *the Postal Service—*

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

21                           “(II) *takes action to substantially ame-*  
22                           *liorate any projected reduction in access to*  
23                           *essential items described in subclause (I);*  
24                           *and*

25                           “(ii) *determines that—*

1           “(I) there is unlikely to be sub-  
2           stantial economic loss to the commu-  
3           nity served by the post office as a re-  
4           sult of the discontinuance;

5           “(II) the area served by the post  
6           office has adequate access to broadband  
7           Internet service, as identified on the  
8           National Broadband Map of the Na-  
9           tional Telecommunications and Infor-  
10          mation Administration; and

11          “(III) there is a road with year-  
12          round access connecting the community  
13          to another post office that is within 10  
14          miles from the post office proposed to  
15          be discontinued.

16          “(C) *STUDY AND REPORT.*—

17          “(i) *STUDY.*—The Inspector General  
18          shall conduct a study after the discontinu-  
19          ance of a rural post office under this sec-  
20          tion, which shall include—

21                 “(I) the actual cost savings result-  
22                 ing from the discontinuance; and

23                 “(II) a comparison between the  
24                 findings described in subclause (I) and  
25                 the cost savings that the Postal Service

1                   *predicted would result from the dis-*  
2                   *continuance.*

3                   “(ii) *REPORT.*—*Not later than 2 years*  
4                   *after the date of the discontinuance of a*  
5                   *rural post office under this section, the In-*  
6                   *spector General shall submit a report on the*  
7                   *findings of the study conducted under clause*  
8                   *(i) with respect to the rural post office to—*

9                               “(I) *the Postal Regulatory Com-*  
10                              *mission;*

11                             “(II) *the Board of Governors;*

12                             “(III) *the Committee on Home-*  
13                             *land Security and Governmental Af-*  
14                             *fairs of the Senate;*

15                             “(IV) *the Committee on Oversight*  
16                             *and Government Reform of the House*  
17                             *of Representatives;*

18                             “(V) *the Member of the House of*  
19                             *Representatives in whose district the*  
20                             *rural post office was located; and*

21                             “(VI) *the Senators in whose State*  
22                             *the rural post office was located.*

23                   “(iii) *SUNSET.*—*This subparagraph is*  
24                   *repealed effective 10 years after the date of*  
25                   *enactment of the Postal Reform Act of 2014.*



1           “(6) *REDUCTIONS IN HOURS OF OPERATION.*—

2           “(A) *CONSIDERATIONS.*—*The Postal Serv-*  
3           *ice, prior to making a determination under*  
4           *paragraph (2)(A)(ii)(I) to reduce the number of*  
5           *hours per day that a post office operates, shall*  
6           *consider—*

7                   “(i) *the impact of the proposed reduc-*  
8                   *tion in hours on local businesses;*

9                   “(ii) *the effect of the proposed reduc-*  
10                  *tion in hours on the community served by*  
11                  *the post office;*

12                  “(iii) *the ability of the Postal Service*  
13                  *to hire qualified employees to operate the*  
14                  *post office during the reduced hours;*

15                  “(iv) *the proximity and accessibility of*  
16                  *other post offices within 15 miles of the post*  
17                  *office, and the hours those post offices are*  
18                  *open;*

19                  “(v) *the impact of the proposed reduc-*  
20                  *tion in hours on the elderly and other vul-*  
21                  *nerable populations; and*

22                  “(vi) *the impact of alternative sched-*  
23                  *ules on the community served by the post of-*  
24                  *fice, including consideration of which sched-*  
25                  *ules would most effectively mitigate any*

1           *negative impacts identified under clauses*  
2           *(i) through (v).*

3           “(B) *FINDINGS.—If the Postal Service de-*  
4           *termines, after considering the factors under sub-*  
5           *paragraph (A), to reduce the number of hours*  
6           *per day that a post office operates, the Postal*  
7           *Service shall make available to persons served by*  
8           *the post office—*

9                   “(i) *a summary of the findings of the*  
10                  *Postal Service under subparagraph (A);*

11                   “(ii) *the hours during which the post*  
12                  *office will be open; and*

13                   “(iii) *an explanation of the change in*  
14                  *hours referred to in clause (ii).”;*

15           (4) *in paragraph (7), as so designated—*

16                   (A) *by striking “close or consolidate” and*  
17                  *inserting “discontinue”;*

18                   (B) *by striking “under paragraph (3)” and*  
19                  *inserting “under paragraph (4)”;*

20                   (C) *by moving subparagraphs (A), (B), and*  
21                  *(C) 2 ems to the right; and*

22                   (D) *by moving the flush text following sub-*  
23                  *paragraph (C) 2 ems to the right;*

1           (5) *in paragraph (8), as so designated, by mov-*  
2           *ing subparagraphs (A) and (B) 2 ems to the right;*  
3           *and*

4           (6) *by adding at the end the following:*

5           “(9) *MINIMUM RETAIL STANDARDS.—The Postal*  
6           *Service shall establish minimum standards for retail*  
7           *postal services.”.*

8   **SEC. 204. CHANGES TO MAIL DELIVERY SCHEDULE.**

9           (a) *LIMITATION ON CHANGE IN SCHEDULE.—*

10           (1) *IN GENERAL.—The Postal Service may estab-*  
11           *lish a general, nationwide delivery schedule of 5 days*  
12           *per week to street addresses under the authority of the*  
13           *Postal Service under title 39, United States Code—*

14                   (A) *if the Postal Service determines that*  
15                   *such a delivery schedule would contribute to the*  
16                   *achievement of long-term solvency; and*

17                   (B) *at any time after the total mail volume*  
18                   *during any period of 4 consecutive quarters, be-*  
19                   *ginning with the first full quarter after the date*  
20                   *of enactment of this Act, is less than*  
21                   *140,000,000,000 pieces, as reported in the Form*  
22                   *10–Q quarterly reports filed by the Postal Serv-*  
23                   *ice with the Commission under section*  
24                   *3654(a)(1)(A) of title 39, United States Code.*

1           (2) *CONTINUATION OF AUTHORITY.*—If each con-  
2           dition under subsection (a)(1) is satisfied, the fact  
3           that total mail volume during any period of 4 con-  
4           secutive quarters, after the first quarter of the period  
5           described in subsection (a)(1)(B), exceeds  
6           140,000,000,000 pieces shall not affect the continued  
7           authority of the Postal Service to establish or main-  
8           tain a nationwide delivery schedule of 5 days per  
9           week.

10          (3) *LIMITATION.*—Notwithstanding any other  
11          provision of this subsection or subsection (d)(3), the  
12          Postal Service may not establish a nationwide deliv-  
13          ery schedule of 5 days per week earlier than October  
14          1, 2017.

15          (b) *IMPLEMENTATION.*—If the Postal Service intends  
16          to establish a change in delivery schedule under subsection  
17          (a), the Postal Service shall—

18               (1) *identify customers and communities for*  
19               *whom the change may have a disproportionate, nega-*  
20               *tive impact, including small business customers, the*  
21               *elderly, those who live in locations without access to*  
22               *broadband Internet service, and the customers identi-*  
23               *fied as “particularly affected” in the Advisory Opin-*  
24               *ion on Elimination of Saturday Delivery issued by*  
25               *the Commission on March 24, 2011;*

1           (2) *develop measures to ameliorate any dis-*  
2           *proportionately negative impact the change would*  
3           *have on customers and communities identified under*  
4           *paragraph (1);*

5           (3) *implement measures to increase revenue and*  
6           *reduce costs, including the measures authorized under*  
7           *this Act and the amendments made by this Act;*

8           (4) *evaluate whether any increase in revenue or*  
9           *reduction in costs, or anticipated increase in revenue*  
10          *or reduction in costs, resulting from the measures im-*  
11          *plemented under paragraph (3) are sufficient to allow*  
12          *the Postal Service, without implementing a change in*  
13          *delivery schedule under subsection (a), to achieve*  
14          *long-term solvency; and*

15          (5) *not earlier than 2 years and not later than*  
16          *6 months before the effective date for any proposed*  
17          *change, submit a report that includes the determina-*  
18          *tion required under subsection (a)(1) and details any*  
19          *measures developed or implemented pursuant to para-*  
20          *graph (2) or (3) of this subsection to—*

21                 (A) *the Committee on Homeland Security*  
22                 *and Governmental Affairs of the Senate;*

23                 (B) *the Committee on Oversight and Gov-*  
24                 *ernment Reform of the House of Representatives;*

25                 (C) *the Commission; and*

1                   (D) the Comptroller General of the United  
2                   States.

3           (c) GAO REPORT.—Not later than 3 months after the  
4 date on which the Comptroller General receives the report  
5 submitted by the Postal Service under subsection (b)(5), the  
6 Comptroller General shall submit to the Postal Service, the  
7 Committee on Homeland Security and Governmental Af-  
8 fairs of the Senate, and the Committee on Oversight and  
9 Government Reform of the House of Representatives a re-  
10 port evaluating the extent to which—

11                   (1) a change in delivery schedule would improve  
12 the financial condition of the Postal Service and as-  
13 sist in the efforts of the Postal Service to achieve long-  
14 term solvency, taking into consideration other ongoing  
15 and planned efforts to increase revenue and reduce  
16 costs, consistent with the requirements under this Act;  
17 and

18                   (2) the Postal Service has complied with each of  
19 the requirements under subsection (b).

20           (d) POSTAL SERVICE RESPONSE TO GAO REPORT.—

21                   (1) IN GENERAL.—The Postal Service shall re-  
22 view the report submitted by the Comptroller General  
23 under subsection (c) and submit to the Committee on  
24 Homeland Security and Governmental Affairs of the  
25 Senate and the Committee on Oversight and Govern-

1 *ment Reform of the House of Representatives a re-*  
2 *sponse to the report if the report includes a finding*  
3 *by the Comptroller General that—*

4 *(A) the proposed change in delivery schedule*  
5 *would not substantially improve the financial*  
6 *condition of the Postal Service and assist in the*  
7 *efforts of the Postal Service to achieve long-term*  
8 *solvency; or*

9 *(B) the Postal Service has not complied*  
10 *with each of the requirements under subsection*  
11 *(b).*

12 *(2) CONTENTS OF RESPONSE.—A response by the*  
13 *Postal Service under paragraph (1) shall include—*

14 *(A) a statement regarding whether the Post-*  
15 *al Service agrees with each finding of the Comp-*  
16 *troller General described in subparagraph (A) or*  
17 *(B) of paragraph (1);*

18 *(B) a statement regarding whether the Post-*  
19 *al Service intends to reevaluate whether to estab-*  
20 *lish a change in delivery schedule under sub-*  
21 *section (a) based on the overall findings of the*  
22 *Comptroller General; and*

23 *(C) if the Postal Service intends to establish*  
24 *the proposed change in delivery schedule, the jus-*

1           *tification of the Postal Service for doing so in*  
2           *light of the findings of the Comptroller General.*

3           (3) *PROHIBITION ON IMPLEMENTATION OF*  
4           *CHANGE IN DELIVERY SCHEDULE.—The Postal Serv-*  
5           *ice may not implement a change in delivery schedule*  
6           *under subsection (a) until 60 days after the date on*  
7           *which the Postal Service submits the response re-*  
8           *quired under paragraph (2).*

9           (e) *RULES OF CONSTRUCTION.—Nothing in this sec-*  
10          *tion shall be construed to—*

11           (1) *require the decrease or increase in delivery*  
12          *frequency for any route for which the Postal Service*  
13          *provided delivery on fewer than 6 days per week as*  
14          *of the date of enactment of this Act;*

15           (2) *require that the Postal Service deliver mail*  
16          *on Federal holidays;*

17           (3) *authorize any change in—*

18           (A) *the days and times that postal retail*  
19          *service or any mail acceptance is available at*  
20          *postal retail facilities or processing facilities; or*

21           (B) *the locations at which postal retail serv-*  
22          *ice or mail acceptance occurs at postal retail fa-*  
23          *cilities or processing facilities;*

24           (4) *require any change in the frequency of deliv-*  
25          *ery to a post office box;*



1           (5) *prohibit the collection or delivery of a com-*  
2           *petitive mail product on a weekend, a recognized Fed-*  
3           *eral holiday, or any other specific day of the week;*

4           (6) *prohibit the Postal Service from exercising*  
5           *its authority to make changes to processing or retail*  
6           *networks; or*

7           (7) *confer a cause of action, either express or im-*  
8           *plied.*

9           (f) *PACKAGES.—Notwithstanding any other provision*  
10          *of this section, for a period of not less than 5 years, begin-*  
11          *ning on the date of enactment of this Act, the Postal Service*  
12          *shall provide package service—*

13                 (1) *6 days per week to each street address that*  
14                 *was eligible to receive package service 6 days per*  
15                 *week, and to each new street address that is located*  
16                 *in an area that was eligible to receive package service*  
17                 *6 days per week, as of October 1, 2013; and*

18                 (2) *7 days per week to each street address for*  
19                 *which the Postal Service determines that such service*  
20                 *provides an economic benefit to the Postal Service.*

21           (g) *MAILBOX ACCESS.—If the Postal Service estab-*  
22          *lishes a general, nationwide delivery schedule of 5 days per*  
23          *week consistent with the provisions of this section, the Post-*  
24          *al Service shall amend the Mailing Standards of the United*  
25          *States, Domestic Mail Manual to ensure that the provisions*

1 of section 508.3.2.10 of such manual, as in effect on October  
 2 1, 2013, shall apply on any day on which the Postal Service  
 3 does not deliver the mail under the established delivery  
 4 schedule.

5 (h) *STUDY OF ENVIRONMENTAL IMPACT OF 5-DAY DE-*  
 6 *LIVERY.*—Not later than 180 days after the date of enact-  
 7 ment of this Act, the Chief Sustainability Officer of the  
 8 Postal Service shall—

9 (1) conduct a study that assesses the environ-  
 10 mental impact of moving to a nationwide delivery  
 11 schedule of 5 days per week, which shall include the  
 12 impact on green house gas emissions, facility energy  
 13 use, and transportation fuel use; and

14 (2) publish the results of the study conducted  
 15 under paragraph (1) on the website of the Postal  
 16 Service.

17 **SEC. 205. DELIVERY POINT MODERNIZATION.**

18 (a) *IN GENERAL.*—Subchapter VII of chapter 36 of  
 19 title 39, United States Code, is amended by adding at the  
 20 end the following:

21 **“§ 3692. Delivery point modernization**

22 “(a) *DEFINITIONS.*—In this section, the following defi-  
 23 nitions shall apply:

24 “(1) *CENTRALIZED DELIVERY.*—The term ‘cen-  
 25 tralized delivery’ means a primary mode of mail de-

1 *livery whereby mail is delivered to a group or cluster*  
2 *of mail receptacles at a single location.*

3 “(2) *CURBSIDE DELIVERY.*—*The term ‘curbside*  
4 *delivery’ means a primary mode of mail delivery*  
5 *whereby mail is delivered to a mail receptacle that is*  
6 *situated at the edge of a public sidewalk abutting a*  
7 *road or curb, at a road, or at a curb.*

8 “(3) *DELIVERY POINT.*—*The term ‘delivery*  
9 *point’ means a mailbox or other receptacle to which*  
10 *mail is delivered.*

11 “(4) *DISTRICT OFFICE.*—*The term ‘district of-*  
12 *fice’ means the central office of an administrative*  
13 *field unit with responsibility for postal operations in*  
14 *a designated geographic area (as defined under regu-*  
15 *lations, directives, or other guidance of the Postal*  
16 *Service).*

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

19 “(A) *means a primary mode of mail deliv-*  
20 *ery whereby mail is—*

21 “(i) *delivered to a mail receptacle at or*  
22 *near a postal customer’s door; or*

23 “(ii) *hand-delivered to a postal cus-*  
24 *tomer; and*

1           “(B) does not include curbside or central-  
2           ized delivery.

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

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

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

13           “(1) NEW ADDRESSES.—Except as provided in  
14           paragraphs (4) and (5), the Postal Service shall pro-  
15           vide centralized delivery to new addresses established  
16           after the date of enactment of the Postal Reform Act  
17           of 2014, or if centralized delivery is not practicable  
18           shall provide curbside delivery.

19           “(2) BUSINESS ADDRESS CONVERSION.—The  
20           Postal Service shall carry out a program to convert  
21           business addresses with door delivery on the date of  
22           enactment of the Postal Reform Act of 2014 to cen-  
23           tralized delivery or to curbside delivery.

24           “(3) RESIDENTIAL ADDRESS CONVERSION.—

1           “(A) *IDENTIFICATION.*—Not later than 9  
2           months after the date of enactment of the Postal  
3           Reform Act of 2014, the head of each district of-  
4           fice of the Postal Service shall identify residen-  
5           tial addresses within the service area of the dis-  
6           trict office that are appropriate candidates for  
7           conversion from door delivery to a more cost-ef-  
8           fective primary mode of delivery, in accordance  
9           with standards established by the Postal Service.

10           “(B) *VOLUNTARY CONVERSION.*—Not later  
11           than 1 year after the date of enactment of the  
12           Postal Reform Act of 2014, and consistent with  
13           subsection (b) and paragraph (4), the Postal  
14           Service shall begin implementation of a program  
15           to convert, on a voluntary basis, the addresses  
16           identified under subparagraph (A) from door de-  
17           livery to a more cost-effective primary mode of  
18           delivery.

19           “(C) *PROCEDURES.*—In pursuing conver-  
20           sion under subparagraph (B), the Postal Service  
21           shall establish procedures to—

22                   “(i) solicit and consider input from  
23                   postal customers, State and local govern-  
24                   ments, local associations, and property  
25                   owners; and

1           “(ii) place centralized delivery points  
2           in locations that maximize delivery effi-  
3           ciency, ease of use for postal customers, and  
4           respect for private property rights.

5           “(4) EXCEPTIONS.—In establishing a primary  
6           mode of mail delivery for new addresses under para-  
7           graph (1) or converting the primary mode of mail de-  
8           livery for an address under paragraph (2) or (3), the  
9           Postal Service may provide door delivery if—

10           “(A) a physical barrier precludes the effi-  
11           cient provision of centralized delivery or curbside  
12           delivery;

13           “(B) the address is located in a registered  
14           historic district, as that term is defined in sec-  
15           tion 47(c)(3)(B) of the Internal Revenue Code of  
16           1986; or

17           “(C) the Postal Service determines that the  
18           provision of centralized delivery or curbside de-  
19           livery would be impractical, would not be cost ef-  
20           fective, or would not be in the best long-term in-  
21           terest of the Postal Service.

22           “(5) WAIVER FOR PHYSICAL HARDSHIP.—

23           “(A) IN GENERAL.—The Postal Service  
24           shall establish and maintain a waiver program  
25           under which, upon the application of a postal

1           *customer, door delivery may be continued or pro-*  
2           *vided to a delivery point if—*

3                     *“(i) centralized delivery or curbside de-*  
4                     *livery would, but for this paragraph, be the*  
5                     *primary mode of mail delivery for the deliv-*  
6                     *ery point; and*

7                     *“(ii) a physical hardship prevents the*  
8                     *postal customer from receiving his or her*  
9                     *mail through any other form of mail deliv-*  
10                    *ery.*

11                    *“(B) PUBLICITY; SIMPLICITY.—In estab-*  
12                    *lishing and maintaining the waiver program*  
13                    *under subparagraph (A), the Postal Service*  
14                    *shall—*

15                             *“(i) publicize the waiver program; and*

16                             *“(ii) provide a simple application*  
17                             *process for participation in the waiver pro-*  
18                             *gram.*

19                    *“(C) POSTAL SERVICE DISCRETION.—Noth-*  
20                    *ing in this paragraph shall be construed to—*

21                             *“(i) prohibit the Postal Service from*  
22                             *requiring evidence of a physical hardship in*  
23                             *an appropriate case; or*

1                   “(ii) require the Postal Service to re-  
2                   quire evidence of a physical hardship in  
3                   any case.

4                   “(D) NO FEES FOR APPLICATION OR DOOR  
5                   DELIVERY.—In establishing and maintaining the  
6                   waiver program under subparagraph (A), the  
7                   Postal Service may not charge a postal customer  
8                   any fee to—

9                   “(i) apply for a waiver; or

10                   “(ii) upon the granting of a waiver by  
11                   the Postal Service, receive mail through  
12                   door delivery.”.

13                   (b) CLERICAL AMENDMENT.—The table of sections for  
14                   subchapter VII of chapter 36 of title 39, United States Code,  
15                   is amended by adding at the end the following:

                  “3692. Delivery point modernization.”.

16                   **SEC. 206. POSTAL SERVICES FOR MARKET-DOMINANT**  
17                   **PRODUCTS.**

18                   (a) IN GENERAL.—Strike section 3661 of title 39,  
19                   United States Code, and insert the following:

20                   **“§ 3661. Postal services for market-dominant products**

21                   “(a) GENERAL OBLIGATION.—The Postal Service shall  
22                   develop and promote adequate and efficient postal services  
23                   with respect to its market-dominant products.

24                   “(b) PROPOSED CHANGES FOR MARKET-DOMINANT  
25                   PRODUCTS.—



1           “(1) *SUBMISSION OF PROPOSAL.*—If the Postal  
2           *Service determines that there should be a change in*  
3           *the nature of postal services relating to market-domi-*  
4           *nant products that will generally affect service on a*  
5           *nationwide or substantially nationwide basis, the*  
6           *Postal Service shall submit a proposal to the Postal*  
7           *Regulatory Commission requesting an advisory opin-*  
8           *ion on the change.*

9           “(2) *ADVISORY OPINION.*—Upon receipt of a pro-  
10          *posal under paragraph (1), the Postal Regulatory*  
11          *Commission shall—*

12                   “(A) *provide notice and an opportunity for*  
13                   *public comment and a public hearing on the pro-*  
14                   *posal; and*

15                   “(B) *issue an advisory opinion not later*  
16                   *than—*

17                           “(i) *90 days after the date on which*  
18                           *the Postal Regulatory Commission receives*  
19                           *the proposal; or*

20                           “(ii) *a date that the Postal Regulatory*  
21                           *Commission and the Postal Service may de-*  
22                           *termine jointly.*

23          “(3) *RESPONSE TO OPINION.*—The Postal Service  
24          *shall submit to the President and to Congress a re-*

1        *response to an advisory opinion issued under para-*  
2        *graph (2) that includes—*

3                *“(A) a statement of whether the Postal Serv-*  
4                *ice plans to modify the proposal to address any*  
5                *concerns or implement any recommendations*  
6                *made by the Commission; and*

7                *“(B) for any matter that the Postal Service*  
8                *determines not to address and any recommenda-*  
9                *tion that the Postal Service determines not to*  
10               *implement, the reasons for the determination.*

11               *“(4) ACTION ON PROPOSAL.—The Postal Service*  
12               *may take action regarding a proposal submitted*  
13               *under paragraph (1)—*

14               *“(A) on or after the date on which the Post-*  
15               *al Service submits the response required under*  
16               *paragraph (3);*

17               *“(B) on or after a date that the Postal Reg-*  
18               *ulatory Commission and the Postal Service may*  
19               *determine jointly; or*

20               *“(C) after the date described in paragraph*  
21               *(2)(B), if—*

22               *“(i) the Postal Regulatory Commission*  
23               *fails to issue an advisory opinion on or be-*  
24               *fore the date described in paragraph (2)(B);*  
25               *and*

1                   “(ii) the action is not otherwise pro-  
2                   hibited under Federal law.

3                   “(5) *MODIFICATION OF TIMELINE.*—At any time,  
4                   the Postal Service and the Postal Regulatory Commis-  
5                   sion may jointly redetermine a date determined under  
6                   paragraph (2)(B)(ii) or (4)(B).

7                   “(c) *LIMITATION.*—

8                   “(1) *NO CHANGES FOR COMPETITIVE PROD-*  
9                   *UCTS.*—Nothing in this section shall be construed as  
10                  authorizing the making of changes under this section  
11                  to the nature of service provided for competitive prod-  
12                  ucts.

13                  “(2) *HYBRID CHANGES.*—For a change that af-  
14                  fects the nature of service provided for both market-  
15                  dominant products and competitive products, only the  
16                  effect on market-dominant products shall be subject to  
17                  this section.”.

18                  (b) *TECHNICAL AND CONFORMING AMENDMENT.*—The  
19                  table of sections for chapter 36 of title 39, United States  
20                  Code, is amended by striking the item relating to section  
21                  3661 and inserting the following:

                  “3661. Postal services for market-dominant products.”.

1 **SEC. 207. REPORT ON PILOT PROGRAM FOR USE OF NAT-**  
2 **URAL GAS AND PROPANE FOR POSTAL**  
3 **TRUCKS.**

4 *Not later than 180 days after the date of enactment*  
5 *of this Act, the Postmaster General shall submit to the Com-*  
6 *mittee on Homeland Security and Governmental Affairs of*  
7 *the Senate a report on the feasibility of a pilot program*  
8 *to implement the use of natural gas and propane as fuels*  
9 *for heavy-duty over-the-road trucks, in addition to natural*  
10 *gas-fueled vehicles already in the postal fleet, as a fuel cost-*  
11 *saving measure.*

12 **SEC. 208. CAPITOL COMPLEX POST OFFICES.**

13 *(a) HOUSE OF REPRESENTATIVES.—*

14 *(1) IN GENERAL.—The Postal Service shall not*  
15 *maintain or operate more than 1 post office in the*  
16 *United States Capitol Complex, as defined in section*  
17 *310(a)(3)(B) of the Legislative Branch Appropria-*  
18 *tions Act, 1990 (2 U.S.C. 2172(a)(3)(B)), which shall*  
19 *be located in a House Office Building.*

20 *(2) CLOSING OF CAPITOL POST OFFICES.—The*  
21 *Postal Service shall close any post office in the United*  
22 *States Capitol Complex, as defined in section*  
23 *310(a)(3)(B) of the Legislative Branch Appropria-*  
24 *tions Act, 1990 (2 U.S.C. 2172(a)(3)(B)), not per-*  
25 *mitted under this subsection, without regard to the re-*



1           (2) *the term “parking lot”, with respect to a post*  
2 *office—*

3           (A) *means any lot or structure—*

4           (i) *the principal purpose of which is*  
5 *the parking of vehicles to allow the general*  
6 *public to access the post office; and*

7           (ii) *that is owned or leased by the*  
8 *Postal Service;*

9           (B) *does not include street parking; and*

10          (C) *does not include parking lots for other*  
11 *Federal facilities or Federal court facilities (as*  
12 *those terms are defined in section 930(g)(3) of*  
13 *title 18, United States Code);*

14          (3) *the term “post office” has the meaning given*  
15 *the term in section 404(d) of title 39, United States*  
16 *Code, as added by this Act; and*

17          (4) *the term “postal facility” means any facility*  
18 *owned or leased by the Postal Service.*

19          (b) *LAWFUL PURPOSE.—The Postal Service shall con-*  
20 *sider the lawful carrying or storing of a firearm in a park-*  
21 *ing lot of a post office, in a manner not inconsistent with*  
22 *State or local laws and not in violation of any lease for*  
23 *use of the parking lot or of the postal facility that the park-*  
24 *ing lot serves, to be a lawful purpose for purposes of section*  
25 *930(d)(3) of title 18, United States Code.*

1       (c) *CODE OF FEDERAL REGULATIONS.*—*The Postal*  
2 *Service shall amend section 232.1 of title 39, Code of Fed-*  
3 *eral Regulations, to specify that—*

4           (1) *an individual who is otherwise permitted to*  
5 *carry or store a firearm in a manner not inconsistent*  
6 *with State or local laws may carry or store a firearm*  
7 *in a parking lot of a post office; and*

8           (2) *carrying or storing a firearm in a parking*  
9 *lot of a post office, in accordance with paragraph (1),*  
10 *shall be considered a lawful purpose under section*  
11 *930(d)(3) of title 18, United States Code.*

12       (d) *SIGNAGE.*—*The Postal Service shall post signage*  
13 *in each parking lot of a post office to communicate to the*  
14 *general public the changes in law required under this sec-*  
15 *tion.*

16       (e) *RULES OF CONSTRUCTION.*—

17           (1) *IN GENERAL.*—*Nothing in this section shall*  
18 *be construed to limit the authority of the Postmaster*  
19 *General to establish—*

20                   (A) *workplace rules for employees of the*  
21 *Postal Service; or*

22                   (B) *regulations relating to nonpublic areas*  
23 *of postal facilities.*

24           (2) *LAWFUL PURPOSES.*—*Nothing in this Act or*  
25 *an amendment made by this Act shall be construed to*

1 *impose the meaning of the term “lawful purpose”*  
2 *under subsection (b) with respect to any property that*  
3 *is not a post office or postal property.*

4 **TITLE III—POSTAL SERVICE**  
5 **REVENUE**

6 **SEC. 301. POSTAL RATES.**

7 *(a) MODERN RATE SYSTEM.—*

8 *(1) IN GENERAL.—Chapter 36 of title 39, United*  
9 *States Code, is amended by striking section 3622 and*  
10 *inserting the following:*

11 **“§ 3622. Modern rate system**

12 *“(a) AUTHORITY GENERALLY.—*

13 *“(1) BOARD OF GOVERNORS.—The Board may,*  
14 *acting in accordance with this section, establish, and*  
15 *from time to time thereafter revise, a system of rates*  
16 *and classes for market-dominant products (referred to*  
17 *in this section as the ‘system’), consistent with the re-*  
18 *quirements under this section.*

19 *“(2) NO DELEGATION.—The authority under this*  
20 *section may not be delegated to the Postmaster Gen-*  
21 *eral or to any other individual or entity.*

22 *“(b) OBJECTIVES.—The system shall be designed to*  
23 *achieve the following objectives, each of which shall be ap-*  
24 *plied in conjunction with the others:*



1           “(1) *To maximize incentives for the Postal Serv-*  
2           *ice to reduce costs and increase efficiency.*

3           “(2) *To create predictability and stability in*  
4           *rates.*

5           “(3) *To maintain high quality service standards*  
6           *established under section 3691.*

7           “(4) *To assure adequate revenues and maintain*  
8           *the financial stability of the Postal Service.*

9           “(5) *To establish and maintain a just and rea-*  
10          *sonable schedule for rates and classifications, however*  
11          *the objective under this paragraph shall not be con-*  
12          *strued to prohibit the Postal Service from making*  
13          *changes of unequal magnitude within, between, or*  
14          *among classes of mail.*

15          “(6) *To allocate the total institutional costs of*  
16          *the Postal Service appropriately between market-dom-*  
17          *inant and competitive products, in accordance with*  
18          *regulations promulgated by the Postal Regulatory*  
19          *Commission (referred to in this section as the ‘Com-*  
20          *mission’)* under section 3633.

21          “(c) *FACTORS.—In establishing or revising the system,*  
22          *the Board and the Commission shall take into account—*

23                 “(1) *the value of the mail service provided*  
24                 *through each class or type of mail service to both the*

1 *sender and the recipient, including the educational,*  
2 *cultural, scientific, and informational value;*

3 *“(2) the direct and indirect postal costs attrib-*  
4 *utable to each class or type of mail service;*

5 *“(3) the effect of rate increases upon Postal Serv-*  
6 *ice customers;*

7 *“(4) the available alternative means of sending*  
8 *and receiving letters and other mail matter;*

9 *“(5) the simplicity of structure for the entire*  
10 *schedule and simple, identifiable relationships be-*  
11 *tween the rates or fees charged the various classes of*  
12 *mail for postal services; and*

13 *“(6) the policies of this title as well as such other*  
14 *factors as the Board or the Commission determines*  
15 *appropriate.*

16 *“(d) ADJUSTMENTS CONSISTENT WITH SYSTEM.—*

17 *“(1) NOTICE.—The Board shall provide notice of*  
18 *any adjustment in rates or classes proposed to be*  
19 *made under this section that is consistent with the*  
20 *system then in effect—*

21 *“(A) not later than—*

22 *“(i) 90 days before the implementation*  
23 *of any rate or class adjustment that affects*  
24 *all or substantially all market-dominant*  
25 *products; and*

1                   “(ii) 45 days before the implementa-  
 2                   tion of any other rate or class adjustment;  
 3                   and

4                   “(B) to—

5                   “(i) the public, including by—

6                   “(I) publication in the *Federal*  
 7                   *Register*; and

8                   “(II) posting on the website of the  
 9                   *Postal Service*; and

10                  “(ii) the *Commission*.

11                  “(2) *PUBLIC COMMENT*.—*The Board shall solicit*  
 12                  *and receive public comments on any proposed rate or*  
 13                  *class adjustment, and shall take such comments into*  
 14                  *account in making its final determination as to a*  
 15                  *rate or class adjustment.*

16                  “(3) *FINAL DECISION*.—*Not later than 10 days*  
 17                  *before the implementation of a rate or class adjust-*  
 18                  *ment, the Board shall issue a final decision on the ad-*  
 19                  *justment which shall—*

20                  “(A) *be published in the Federal Register*  
 21                  *and posted on the website of the Postal Service;*  
 22                  *and*

23                  “(B) *include an explanation responding to*  
 24                  *all relevant comments received.*

25                  “(4) *COMMISSION REVIEW*.—

1           “(A) *IN GENERAL.*—Any adjustment made  
2           by the Board under this section shall be subject  
3           to review by the Commission under section 3662.

4           “(B) *APPLICATION OF SECTION 3662.*—In a  
5           review described in subparagraph (A), section  
6           3662 shall be applied by substituting ‘Board of  
7           Governors’ for ‘Postal Service’ where applicable.

8           “(e) *RATE BASE.*—The rates for market-dominant  
9           products in effect on the date of enactment of the Postal  
10          Reform Act of 2014, including any rates adjusted under this  
11          section on an expedited basis due to either extraordinary  
12          or exceptional circumstances, shall remain in effect unless  
13          adjusted in accordance with this section.

14          “(f) *LIMITATIONS ON RATE ADJUSTMENTS.*—

15                 “(1) *APPLICABILITY OF LIMITATIONS.*—The limi-  
16                 tations under this subsection shall remain in effect  
17                 unless revised or eliminated under subsection (g).

18                 “(2) *ANNUAL LIMITATION.*—There shall be an  
19                 annual limitation on the percentage changes in rates  
20                 for market-dominant products as a whole under this  
21                 section that shall be equal to the percentage change in  
22                 the Consumer Price Index for All Urban Consumers  
23                 unadjusted for seasonal variation over the most recent  
24                 available 12-month period preceding the date the

1     *Board provides notice of its intention to increase*  
2     *rates.*

3             “(3) *CONDITIONS.—*

4                     “(A) *CLASSES OF MAIL.—The Board shall*  
5                     *ensure that the annual percentage change in*  
6                     *rates under this section for a class of mail, as de-*  
7                     *finied in the Domestic Mail Classification Sched-*  
8                     *ule (as in effect on the date of enactment of the*  
9                     *Postal Accountability and Enhancement Act),*  
10                    *does not exceed the annual limitation under*  
11                    *paragraph (2) by more than 2 percentage points.*

12                    “(B) *USE OF UNUSED RATE ADJUSTMENT*  
13                    *AUTHORITY.—*

14                             “(i) *DEFINITION.—In this subpara-*  
15                             *graph, the term ‘unused rate adjustment au-*  
16                             *thority’ means the difference between—*

17                                     “(I) *the maximum amount of a*  
18                                     *rate adjustment that the Board is au-*  
19                                     *thorized to make in any year subject to*  
20                                     *the annual limitation under para-*  
21                                     *graph (2); and*

22                                     “(II) *the amount of the rate ad-*  
23                                     *justment the Board actually makes in*  
24                                     *that year.*

1                   “(ii) *AUTHORITY.*—*Subject to clause*  
2                   *(iii), the Board may use any unused rate*  
3                   *adjustment authority for any of the 5 years*  
4                   *following the year the authority occurred.*

5                   “(iii) *LIMITATIONS.*—*In exercising the*  
6                   *authority under clause (ii) in any year, the*  
7                   *Governors—*

8                   *“(I) may use unused rate adjust-*  
9                   *ment authority from more than 1 year;*

10                   *“(II) may use any part of the un-*  
11                   *used rate adjustment authority from*  
12                   *any year; and*

13                   *“(III) may not exceed the annual*  
14                   *limitation under paragraph (2) by*  
15                   *more than 2 percentage points.*

16                   “(4) *EXCEPTION TO ANNUAL LIMITATION.*—*Not-*  
17                   *withstanding the annual limitation under paragraph*  
18                   *(2), and provided there is not sufficient unused rate*  
19                   *adjustment authority under paragraph (3)(B), rates*  
20                   *may be adjusted on an expedited basis due to either*  
21                   *extraordinary or exceptional circumstances, provided*  
22                   *that the Commission determines, after notice and op-*  
23                   *portunity for public comment, and within 90 days*  
24                   *after any request by the Board, that such adjustment*  
25                   *is reasonable and equitable and necessary to enable*

1 *the Postal Service, under best practices of honest, effi-*  
2 *cient, and economical management, to maintain and*  
3 *continue the development of postal services of the kind*  
4 *and quality adapted to the needs of the United States.*

5 “(g) *ADOPTION OF REVISIONS TO SYSTEM OR NEW*  
6 *SYSTEM.*—

7 “(1) *BOARD PROPOSAL.*—*Not earlier than Janu-*  
8 *ary 1, 2017, and as appropriate thereafter, the Board*  
9 *may, after notice and opportunity for public com-*  
10 *ment, submit to the Commission a proposal for revi-*  
11 *sions to the system or a new system, consistent with*  
12 *the objectives under subsection (b), taking into ac-*  
13 *count the factors under subsection (c), and which may*  
14 *include revision or elimination of the limitations es-*  
15 *tablished under subsection (f).*

16 “(2) *FINAL COMMISSION ACTION.*—*The Commis-*  
17 *sion—*

18 “(A) *shall consider a proposal submitted by*  
19 *the Board under paragraph (1); and*

20 “(B) *may—*

21 “(i) *adopt the proposal, without modi-*  
22 *fication; or*

23 “(ii) *reject the proposal.*

24 “(h) *WORKSHARE DISCOUNTS.*—

1           “(1) *DEFINITION.*—*In this subsection, the term*  
2           *‘workshare discount’ refers to rate discounts provided*  
3           *to mailers for the presorting, prebarcoding, handling,*  
4           *or transportation of mail, as further defined by the*  
5           *Board in accordance with subsection (a).*

6           “(2) *SCOPE.*—*The Board shall ensure that such*  
7           *discounts do not exceed the cost that the Postal Serv-*  
8           *ice avoids as a result of workshare activity, unless—*

9                   “(A) *the discount is—*

10                           “(i) *associated with a new postal serv-*  
11                           *ice, a change to an existing postal service,*  
12                           *or with a new work share initiative related*  
13                           *to an existing postal service; and*

14                           “(ii) *necessary to induce mailer behav-*  
15                           *ior that furthers the economically efficient*  
16                           *operation of the Postal Service and the por-*  
17                           *tion of the discount in excess of the cost that*  
18                           *the Postal Service avoids as a result of the*  
19                           *workshare activity will be phased out over*  
20                           *a limited period of time;*

21                           “(B) *the amount of the discount above costs*  
22                   *avoided—*

23                           “(i) *is necessary to mitigate rate shock;*  
24                           *and*

25                           “(ii) *will be phased out over time;*



1           “(C) the discount is provided in connection  
2 with a category of mail consisting exclusively of  
3 mail matter of educational, cultural, scientific,  
4 or informational value; or

5           “(D) reduction or elimination of the dis-  
6 count would—

7           “(i) impede the efficient operation of  
8 the Postal Service;

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

16           “(iii) result in a further increase in  
17 the rates paid by mailers not able to take  
18 advantage of the discount.

19           “(3) NOTICE.—Whenever a workshare discount is  
20 established, the Board shall ensure that the notice pro-  
21 vided under subsection (d)(1) includes—

22           “(A) the reasons for establishing the dis-  
23 count;

1           “(B) the data, economic analyses, and other  
2 information relied on by the Board to justify the  
3 rate; and

4           “(C) a certification that the discount will  
5 not adversely affect rates or services provided to  
6 users of postal services who do not take advan-  
7 tage of the discount rate.

8           “(i) *NEGOTIATED SERVICE AGREEMENTS.*—The Board  
9 shall ensure that any agreement between the Postal Service  
10 and a mailer that adjusts rates or classes in a manner that  
11 is specific to the mailer—

12           “(1) is available on public and reasonable terms  
13 to similarly situated mailers;

14           “(2) either—

15           “(A) improves the net financial position of  
16 the Postal Service through reducing Postal Serv-  
17 ice costs or increasing the overall contribution to  
18 the institutional costs of the Postal Service tak-  
19 ing into account changes in volume and revenues  
20 from mailers ineligible for the agreement; or

21           “(B) enhances the performance of mail  
22 preparation, processing, transportation, or other  
23 functions; and

24           “(3) does not cause—

1           “(A) unfair competitive advantage for the  
2           Postal Service or mailers eligible for the agree-  
3           ment; or

4           “(B) unreasonable disruption to the volume  
5           or revenues of other mailers ineligible for the  
6           agreement.

7           “(j) *CONSIDERATION OF PRIOR COMMISSION DECI-*  
8           *SIONS.—In making any determination under this section,*  
9           *including the construction and interpretation of the terms*  
10          *used in this section, the Board shall give consideration to*  
11          *decisions of the Commission made prior to the date of enact-*  
12          *ment of the Postal Reform Act of 2014, and shall include*  
13          *an explanation of any deviation from such decisions in the*  
14          *notice required under subsection (d)(1).”.*

15          (2) *TECHNICAL AND CONFORMING AMEND-*  
16          *MENT.—The table of sections for chapter 36 of title*  
17          *39, United States Code, is amended by striking the*  
18          *item relating to section 3622 and inserting the fol-*  
19          *lowing:*

          “3622. *Modern rate system.*”.

20          (b) *REPEAL OF RATE PREFERENCES FOR QUALIFIED*  
21          *POLITICAL COMMITTEES.—Section 3626 of title 39, United*  
22          *States Code, is amended—*

23                 (1) *by striking subsection (e);*

24                 (2) *by redesignating subsections (f), (g), and (h)*  
25          *as subsections (e), (f), and (g), respectively;*

1           (3) by redesignating subsections (j) through (n)  
2 as subsections (h) through (l), respectively; and

3           (4) in subsection (h), as redesignated by para-  
4 graph (3)—

5           (A) in paragraph (1)(D), by striking “sub-  
6 section (m)(2)” and inserting “subsection  
7 (k)(2)”; and

8           (B) in paragraph (3)(B), by striking “sub-  
9 section (m)” and inserting “subsection (k)”.

10 (c) *STANDARD POST*.—

11           (1) *DEFINITION*.—In this subsection, the term  
12 “covered package” means a Standard Post package  
13 that—

14           (A) originates and destines within the  
15 same State; and

16           (B) destines in a community that is not  
17 served by regular overland transportation from  
18 the community in which the shipment originates.

19           (2) *TEMPORARY STANDARD POST PRICING*.—Not-  
20 withstanding section 3642 of title 39, United States  
21 Code, during the period beginning on the date of en-  
22 actment of this Act and ending on the date on which  
23 the Commission issues an order resolving the pro-  
24 ceeding described in paragraph (3)(B), the Postal  
25 Service shall deliver covered packages at the rates that

1        *were applicable to Standard Post on January 27,*  
2        *2013.*

3            (3) *COMMISSION STUDY AND PROCEEDING.—*

4            (A) *STUDY.—The Commission shall conduct*  
5            *a study to determine—*

6                    (i) *the extent to which the Postal Serv-*  
7                    *ice exercises monopoly power and the extent*  
8                    *to which delivery services are reasonably*  
9                    *available from a private carrier with re-*  
10                   *spect to the delivery of covered packages;*  
11                   *and*

12                   (ii) *the extent to which there are com-*  
13                   *munities for which the Postal Service exer-*  
14                   *cises monopoly power for the delivery of*  
15                   *items shipped by Standard Post or for*  
16                   *which delivery services are not reasonably*  
17                   *available for such items.*

18            (B) *PROCEEDING.—The Commission shall*  
19            *initiate a proceeding under section 3642 of title*  
20            *39, United States Code, to determine whether*  
21            *covered packages and any other packages identi-*  
22            *fied under subparagraph (A)(ii), if considered as*  
23            *a single product, would constitute a market dom-*  
24            *inant product or a competitive product.*

1           (C) *RATES.*—*If the Commission determines*  
 2           *in the proceeding under subparagraph (B) that*  
 3           *covered packages constitute a market dominant*  
 4           *product, the rates for covered packages shall be*  
 5           *as provided in paragraph (2) until adjusted in*  
 6           *accordance with the procedures under section*  
 7           *3622 of title 39, United States Code, applicable*  
 8           *to market dominant products.*

9           (D) *INFORMATION.*—*The Postal Service*  
 10          *shall provide the Commission with such informa-*  
 11          *tion as may, in the judgment of the Commission,*  
 12          *be necessary in order for the Commission to con-*  
 13          *duct its study and proceeding under this para-*  
 14          *graph.*

15 **SEC. 302. NONPOSTAL SERVICES.**

16          (a) *AUTHORIZATION OF NEW NONPOSTAL SERV-*  
 17          *ICES.*—

18               (1) *IN GENERAL.*—*Section 404 of title 39,*  
 19          *United States Code, as amended by this Act, is*  
 20          *amended—*

21                       (A) *in subsection (a)—*

22                               (i) *by redesignating paragraphs (6)*  
 23                               *through (8) as paragraphs (7) through (9),*  
 24                               *respectively; and*

1                   (ii) by inserting after paragraph (5)  
2                   the following:

3                   “(6) on and after the date of enactment of the  
4                   Postal Reform Act of 2014, except as provided in sub-  
5                   section (e) and subject to subsection (h)—

6                   “(A) to provide other services that are not  
7                   postal services, if the provision of such services—

8                   “(i) uses the processing, transpor-  
9                   tation, delivery, retail network, or tech-  
10                  nology of the Postal Service;

11                  “(ii) is consistent with the public in-  
12                  terest and demonstrated likely public de-  
13                  mand for—

14                  “(I) the Postal Service, rather  
15                  than another entity, to provide the  
16                  services; or

17                  “(II) the Postal Service, in addi-  
18                  tion to or in partnership with another  
19                  entity, to provide the services;

20                  “(iii) would not create unfair competi-  
21                  tion with the private sector, taking into  
22                  consideration the extent to which the Postal  
23                  Service will not, either by legal obligation  
24                  or voluntarily, comply with any State or

1           local laws or requirements generally appli-  
2           cable to the provision of such services;

3           “(iv) does not unreasonably interfere  
4           with or detract from the value of postal  
5           services, including—

6                       “(I) the cost and efficiency of  
7                       postal services; and

8                       “(II) access to postal retail serv-  
9                       ice;

10           “(v) will be undertaken in accordance  
11           with all Federal laws and regulations ap-  
12           plicable to the provision of such services;  
13           and

14           “(vi) is reasonably expected to improve  
15           the net financial position of the Postal  
16           Service, based on a market analysis con-  
17           ducted by or on behalf of the Postal Service;  
18           and

19           “(B) to classify a service provided under  
20           subparagraph (A) as an experimental product  
21           subject to section 3641;”;

22           (B) in subsection (e)(1), by inserting “and  
23           that was offered by the Postal Service on the date  
24           of enactment of the Postal Reform Act of 2014”  
25           after “102(5)”; and



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

2           “(g) *TREATMENT OF NEW NONPOSTAL SERVICES.*—  
3 *For purposes of chapters 20 and 36 of this title, nonpostal*  
4 *services provided under subsection (a)(6) shall be treated*  
5 *as competitive products.*”

6           “(h) *FEDERAL REGULATION OF NEW NONPOSTAL*  
7 *SERVICES.*—*The Postal Service shall ensure that any non-*  
8 *postal service provided under subsection (a)(6) that is other-*  
9 *wise subject to the jurisdiction and regulation of a Federal*  
10 *regulatory agency remains subject to the jurisdiction and*  
11 *regulation of the Federal regulatory agency notwith-*  
12 *standing the fact that the nonpostal service is provided by*  
13 *the Postal Service.*”

14           (2) *COMPLAINTS.*—*Section 3662(a) of title 39,*  
15 *United States Code, is amended by inserting*  
16 *“404(a)(6),” after “403(c).”*

17           (3) *MARKET ANALYSIS.*—*During the 5-year pe-*  
18 *riod beginning on the date of enactment of this Act,*  
19 *not later than 7 days after the date on which any*  
20 *market analysis conducted under section*  
21 *404(a)(6)(A)(vi) of title 39, United States Code, as*  
22 *amended by this section, is completed, the Postal*  
23 *Service shall submit a copy of the market analysis*  
24 *to—*

25                   (A) *the Commission;*

1                   (B) *the Committee on Homeland Security*  
2                   *and Governmental Affairs of the Senate; and*

3                   (C) *the Committee on Oversight and Gov-*  
4                   *ernment Reform of the House of Representatives.*

5           (b) *GOVERNMENTAL SERVICES.—Section 411 of title*  
6 *39, United States Code, is amended—*

7                   (1) *in the second sentence, by striking “this sec-*  
8                   *tion” and inserting “this subsection”;*

9                   (2) *by striking “Executive agencies” and insert-*  
10 *ing “(a) FEDERAL GOVERNMENT.—Executive agen-*  
11 *cies”;* *and*

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

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

14                   “(1) *AUTHORITY OF POSTAL SERVICE.—The*  
15 *Postal Service is authorized to furnish property and*  
16 *services to States, local governments, and tribal gov-*  
17 *ernments, under such terms and conditions, including*  
18 *the possibility for reimbursement, as the Postal Serv-*  
19 *ice and the applicable State, local government, or*  
20 *tribal government shall determine appropriate.*

21                   “(2) *DEFINITIONS.—For purposes of this sub-*  
22 *section—*

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

24                                   “(i) *a county, municipality, city,*  
25 *town, township, local public authority,*

1           *school district, special district, intrastate*  
2           *district, council of governments, or regional*  
3           *or interstate government entity;*

4           “(ii) *an agency or instrumentality of*  
5           *an entity described in clause (i); or*

6           “(iii) *a rural community, an unincor-*  
7           *porated town or village, or an instrumen-*  
8           *tality of a rural community or an unincor-*  
9           *porated town or village;*

10          “(B) *the term ‘State’ includes the District of*  
11          *Columbia, the Commonwealth of Puerto Rico, the*  
12          *United States Virgin Islands, Guam, American*  
13          *Samoa, the Commonwealth of the Northern Mar-*  
14          *iana Islands, and any other territory or posses-*  
15          *sion of the United States; and*

16          “(C) *the term ‘tribal government’ means the*  
17          *government of an Indian tribe, as that term is*  
18          *defined in section 4(e) of the Indian Self-Deter-*  
19          *mination Act (25 U.S.C. 450b(e)).*

20          “(c) *REPORT.—The Postal Service shall submit to the*  
21          *Postal Regulatory Commission, together with the report re-*  
22          *quired under section 3652, a report that details the costs*  
23          *and revenues of the property and services furnished by the*  
24          *Postal Service under this section during the period covered*  
25          *by the report required under section 3652.*

1       “(d) *REIMBURSEMENT DETERMINATION.*—*In deter-*  
 2 *mining the possibility for reimbursement under subsections*  
 3 *(a) and (b), the Postal Service shall ensure that each prop-*  
 4 *erty or service furnished under such subsections covers its*  
 5 *costs attributable, as that term is defined in section*  
 6 *3631(b).”.*

7       (c) *CONFORMING AMENDMENTS.*—

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

10           (A) *by striking “(e)(1) In this” and insert-*  
 11 *ing the following:*

12       “(e) *PREVIOUSLY OFFERED NONPOSTAL SERVICES.*—

13           “(1) *DEFINITION.*—*In this”;*

14           (B) *in paragraph (2), by striking “(2)*  
 15 *Nothing” and inserting the following:*

16           “(2) *ELIGIBLE NONPOSTAL SERVICES.*—*Not-*  
 17 *ing”;*

18           (C) *in paragraph (3)—*

19           (i) *by striking “(3) Not” and inserting*  
 20 *the following:*

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

22       *and*

23           (ii) *by moving subparagraphs (A) and*  
 24 *(B) 2 ems to the right;*

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

3           “(4) *TERMINATION.—Any*”; and

4           (E) by striking paragraph (5) and inserting  
5           the following:

6           “(5) *DESIGNATION.—Each nonpostal service au-*  
7           *thorized under this subsection shall be designated as*  
8           *market-dominant or competitive based on the designa-*  
9           *tion of the nonpostal service in the Mail Classifica-*  
10          *tion Schedule as in effect on the date of enactment of*  
11          *the Postal Reform Act of 2014.*

12          “(6) *RULE OF CONSTRUCTION.—Nothing in this*  
13          *subsection shall be construed to prevent the Postal*  
14          *Service from providing nonpostal services under sub-*  
15          *section (a)(6).”.*

16          (2) *SECTION 3641 OF TITLE 39.—Section 3641 of*  
17          *title 39, United States Code, is amended—*

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

21                 (B) in the first sentence of subsection (b)(3),  
22                 by striking “section 3642(b)(1)” and inserting  
23                 “sections 404(g) and 3642(b)(1)”;



1        *section 117 of the Federal Alcohol Administration Act*  
2        *(27 U.S.C. 211)), is in conformity with section*  
3        *3001(p) of title 39” after “Register”.*

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

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

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

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

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

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

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

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

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

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

2                   “(II) provides a signature and presents  
3                   a valid, government-issued photo identifica-  
4                   tion upon delivery.

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

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

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

12                   (2) the date that is 120 days after the date of en-  
13 actment of this Act.

14                   (d) *NO PREEMPTION OF STATE, LOCAL, OR TRIBAL*  
15 *LAWS PROHIBITING DELIVERIES, SHIPMENTS, OR*  
16 *SALES.*—Nothing in this section, the amendments made by  
17 this section, or any regulation promulgated under this sec-  
18 tion or the amendments made by this section, shall be con-  
19 strued to preempt, supersede, or otherwise limit or restrict  
20 any State, local, or tribal law that prohibits or regulates  
21 the delivery, shipment, or sale of distilled spirits, wine, or  
22 malt beverages (as those terms are defined in section 117  
23 of the Federal Alcohol Administration Act (27 U.S.C. 211)).



1           **TITLE IV—POSTAL SERVICE**  
2                           **GOVERNANCE**

3   **SEC. 401. BOARD OF GOVERNORS OF THE POSTAL SERVICE.**

4           (a) *BOARD OF GOVERNORS.*—*Title 39, United States*  
5 *Code, is amended by striking section 202 and inserting the*  
6 *following:*

7   **“§ 202. Board of Governors**

8           “(a) *IN GENERAL.*—*The exercise of the power of the*  
9 *Postal Service shall be directed by a Board of Governors*  
10 *composed of 9 members appointed in accordance with this*  
11 *section, each of whom shall be a voting member of the*  
12 *Board.*

13           “(b) *MEMBERSHIP.*—

14                   “(1) *COMPOSITION.*—*The Board shall be com-*  
15 *posed of—*

16                           “(A) *the Postmaster General; and*

17                           “(B) *8 members, to be known as Governors,*  
18 *who shall be appointed by the President, by and*  
19 *with the advice and consent of the Senate.*

20                   “(2) *AFFILIATION.*—*Not more than 4 of the Gov-*  
21 *ernors may be members of any 1 political party.*

22                   “(3) *CHAIRPERSON.*—*The Governors shall elect a*  
23 *Chairperson from among the members of the Board.*

24           “(c) *QUALIFICATIONS.*—

1           “(1) *IN GENERAL.*—*The Governors shall rep-*  
2           *resent the public interest generally, and shall be cho-*  
3           *sen solely on the basis of experience in public service,*  
4           *law, or accounting, or on a demonstrated ability to*  
5           *manage organizations or corporations (in either the*  
6           *public or private sector) of substantial size.*

7           “(2) *NO SPECIFIC INTEREST.*—*A Governor may*  
8           *not be a representative of a specific interest using the*  
9           *Postal Service.*

10           “(3) *INITIAL APPOINTMENTS.*—*At least 1 of the*  
11           *Governors who is appointed to fill a position that is*  
12           *vacant on the date of enactment of the Postal Reform*  
13           *Act of 2014 shall, in addition to the qualifications set*  
14           *forth in paragraph (1), be appointed based on the*  
15           *demonstrated ability of that individual to manage*  
16           *and improve financially troubled organizations.*

17           “(d) *REMOVAL.*—*A Governor may be removed only for*  
18           *cause.*

19           “(e) *COMPENSATION.*—

20           “(1) *SALARY.*—*Each Governor shall receive a*  
21           *salary of \$30,000 each year, plus \$300 for each day,*  
22           *for not more than 42 days, on which the Governor at-*  
23           *tends a meeting of the Board. Nothing in this para-*  
24           *graph shall be construed to limit the number of days*  
25           *of meetings each year to 42 days.*

1           “(2) *REIMBURSEMENT FOR MEETINGS.*—Each  
2           Governor shall be reimbursed for travel and reason-  
3           able expenses incurred in attending meetings of the  
4           Board.

5           “(f) *TERMS.*—

6           “(1) *IN GENERAL.*—Each Governor shall serve  
7           for a term of 7 years.

8           “(2) *VACANCIES.*—A Governor appointed to fill a  
9           vacancy occurring before the expiration of the term to  
10          which the predecessor of that Governor was appointed  
11          shall serve for the remainder of that term.

12          “(3) *CONTINUATION OF SERVICE.*—A Governor  
13          may continue to serve after the expiration of the term  
14          of that Governor until a successor has been appointed,  
15          except that a Governor may not continue to serve for  
16          more than 1 year after the date on which the term of  
17          that Governor would have otherwise expired.

18          “(4) *LIMIT.*—A Governor may serve for not more  
19          than 2 terms.

20          “(g) *POSTMASTER GENERAL.*—

21          “(1) *APPOINTMENT AND REMOVAL.*—The Gov-  
22          ernors shall appoint and shall have the power to re-  
23          move the Postmaster General.

1           “(2) *PAY AND TERM OF SERVICE.*—*The pay and*  
2           *term of service of the Postmaster General shall be de-*  
3           *termined by the Governors.*

4           “(h) *DEPUTY POSTMASTER GENERAL.*—

5           “(1) *APPOINTMENT AND REMOVAL.*—*The Gov-*  
6           *ernors and the Postmaster General shall appoint and*  
7           *shall have the power to remove the Deputy Postmaster*  
8           *General.*

9           “(2) *PAY.*—*The pay of the Deputy Postmaster*  
10          *General shall be determined by the Governors.*

11          “(3) *TERM OF SERVICE.*—*The term of service of*  
12          *the Deputy Postmaster General shall be determined by*  
13          *the Governors and the Postmaster General.*

14          “(i) *EXECUTIVE COMMITTEE.*—

15          “(1) *AUTHORITY TO ESTABLISH.*—*The Board, by*  
16          *a vote of a majority of its members, may establish an*  
17          *Executive Committee of the Board, consistent with*  
18          *paragraph (2).*

19          “(2) *BOARD MEMBERSHIP AND RESPONSIBIL-*  
20          *ITIES.*—*If established by the Board, the Executive*  
21          *Committee shall—*

22                  “(A) *be composed of the Chairperson of the*  
23                  *Board and 2 additional Governors designated by*  
24                  *the Board, except that not more than 2 members*

1           *of the Executive Committee may be members of*  
2           *any 1 political party;*

3           “(B) *develop and oversee implementation of*  
4           *strategies and measures to ensure the long-term*  
5           *financial solvency of the Postal Service;*

6           “(C) *develop and oversee the implementa-*  
7           *tion of the financial plan and budget required*  
8           *under section 403 of the Postal Reform Act of*  
9           *2014 and updates to the financial plan and*  
10          *budget;*

11          “(D) *make recommendations to the Board*  
12          *regarding aspects of postal operations; and*

13          “(E) *assume such other responsibilities as*  
14          *the Board determines appropriate.*

15          “(3) *QUORUM.—2 members of the Executive*  
16          *Committee shall constitute a quorum for the trans-*  
17          *action of business by the Executive Committee.*

18          “(4) *TERMINATION.—The Executive Committee*  
19          *may be terminated by a vote of the majority of the*  
20          *members of the Board.”.*

21          “(b) *PROCEDURES OF THE BOARD.—Section 205(c) of*  
22          *title 39, United States Code, is amended by striking “6*  
23          *members” and inserting “5 members”.*

24          “(c) *INCUMBENTS; IMPLEMENTATION.—*

1           (1) *INCUMBENTS.*—*An individual serving as a*  
2 *Governor on the Board of Governors of the Postal*  
3 *Service (referred to in this subsection as a “Gov-*  
4 *ernor”)* on the date of enactment of this Act may con-  
5 *tinue to serve as a Governor until the expiration of*  
6 *the term of that Governor.*

7           (2) *IMPLEMENTATION OF MEMBERSHIP REDUC-*  
8 *TION.*—

9           (A) *IN GENERAL.*—*One of the 2 positions as*  
10 *a Governor for which the term is scheduled to ex-*  
11 *pire on December 8, 2014, shall not be filled*  
12 *after the position becomes vacant.*

13           (B) *PREFERENCE FOR ABOLISHING VACANT*  
14 *POSITION.*—*If 1 of the 2 positions referred to in*  
15 *subparagraph (A) is vacant on the date of enact-*  
16 *ment of this Act, that vacant position shall be*  
17 *the position that is not filled, as required under*  
18 *such subparagraph.*

19           (d) *CONFORMING AMENDMENTS.*—*Title 39, United*  
20 *States Code, is amended—*

21           (1) *in section 102(3)—*

22           (A) *by striking “9” and inserting “8”; and*

23           (B) *by striking “202(a)” and inserting*  
24 *“202(b)(1)(C)”;* and

25           (2) *in section 203—*

1 (A) by striking “202(c)” and inserting  
2 “202(g)”; and

3 (B) by striking “202(d)” and inserting  
4 “202(h)”.

5 **SEC. 402. STRATEGIC ADVISORY COMMISSION ON POSTAL**  
6 **SERVICE SOLVENCY AND INNOVATION.**

7 (a) *ESTABLISHMENT.*—

8 (1) *IN GENERAL.*—*There is established in the ex-*  
9 *ecutive branch a Strategic Advisory Commission on*  
10 *Postal Service Solvency and Innovation (referred to*  
11 *in this section as the “Advisory Commission”).*

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

19 (b) *PURPOSE.*—*The purpose of the Advisory Commis-*  
20 *sion is to—*

21 (1) *provide strategic guidance to the President,*  
22 *Congress, the Board of Governors, the Postmaster*  
23 *General, and the Chief Innovation Officer on enhanc-*  
24 *ing the long-term solvency of the Postal Service; 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 of*  
18 *Representatives.*

19           (2) *QUALIFICATIONS.—Members of the Advisory*  
20 *Commission shall have—*

21           (A) *recognized and significant experience in*  
22 *such fields as business, technology, and public*  
23 *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 a  
11 member of the Advisory Commission, except in the ca-  
12 pacity of that individual as a member of the Advisory  
13 Commission.

14           (4) *DEADLINE FOR APPOINTMENT.*—Each mem-  
15 ber of the Advisory Commission shall be appointed  
16 not later than 60 days after the date of enactment of  
17 this Act.

18           (5) *MEETINGS; QUORUM; VACANCIES.*—

19           (A) *MEETINGS.*—The Advisory Commission  
20 shall meet at the call of the Chairperson or a  
21 majority of the members of the Advisory Com-  
22 mission.

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 which*  
5           *the original appointment was made.*

6           (d) *DUTIES AND POWERS.*—

7           (1) *DUTIES.*—*The Advisory Commission shall—*

8           (A) *study matters that the Advisory Com-*  
9           *mission determines are necessary and appro-*  
10          *priate to develop a strategic blueprint for the*  
11          *long-term solvency of the Postal Service, includ-*  
12          *ing—*

13                 (i) *the financial, operational, and*  
14                 *structural condition of the Postal Service;*

15                 (ii) *alternative strategies and business*  
16                 *models that the Postal Service could adopt;*

17                 (iii) *opportunities for additional post-*  
18                 *al and nonpostal services that the Postal*  
19                 *Service could offer;*

20                 (iv) *the comparative postal practices of*  
21                 *other countries, including innovative prod-*  
22                 *ucts and services that postal services in*  
23                 *other countries have offered, including serv-*  
24                 *ices that respond to the increasing use of*  
25                 *electronic means of communication, and*

1           *different approaches to mail delivery that*  
2           *other countries have adopted;*

3           *(v) the governance and organizational*  
4           *and management structures of the Postal*  
5           *Service; and*

6           *(vi) efforts by the Postal Service to re-*  
7           *cruit and retain a workforce, particularly*  
8           *in rural areas, capable of meeting the stra-*  
9           *tegic needs of the Postal Service regarding*  
10          *innovation, nationwide service standards,*  
11          *and nationwide delivery schedules; and*

12          *(B) submit the report required under sub-*  
13          *section (h).*

14          (2) *HEARINGS.*—*The Advisory Commission may*  
15          *hold such hearings, take such testimony, and receive*  
16          *such evidence as is necessary to carry out this section.*

17          (3) *ACCESS TO INFORMATION.*—*The Advisory*  
18          *Commission may secure directly from the Postal*  
19          *Service, the Board of Governors, the Postal Regu-*  
20          *latory Commission, and any other Federal depart-*  
21          *ment or agency such information as the Advisory*  
22          *Commission considers necessary to carry out this sec-*  
23          *tion. Upon request of the Chairperson of the Advisory*  
24          *Commission, the head of the department or agency*

1       *shall furnish the information described in the pre-*  
2       *ceding sentence to the Advisory Commission.*

3       *(e) APPLICABILITY OF LAWS.—The Federal Advisory*  
4       *Committee Act (5 U.S.C. App) and section 552a of title*  
5       *5, United States Code (commonly known as the “Privacy*  
6       *Act of 1974”) shall apply to the Advisory Commission.*

7       *(f) ASSISTANCE FROM FEDERAL AGENCIES.—*

8               *(1) POSTAL SERVICE.—The Postmaster General*  
9       *shall provide to the Advisory Commission administra-*  
10       *tive support and other services for the performance of*  
11       *the functions of the Advisory Commission.*

12               *(2) OTHER DEPARTMENTS AND AGENCIES.—An*  
13       *agency of the Federal Government may provide to the*  
14       *Advisory Committee such services, funds, facilities,*  
15       *staff, and other support services that the agency deter-*  
16       *mines to be advisable or is otherwise authorized under*  
17       *law.*

18       *(g) PERSONNEL MATTERS.—*

19               *(1) ADVISORY COMMISSION MEMBERS.—*

20                       *(A) COMPENSATION OF MEMBERS.—Each*  
21       *member of the Advisory Commission shall be*  
22       *compensated at a rate equal to the daily equiva-*  
23       *lent of the annual rate of basic pay prescribed*  
24       *for level IV of the Executive Schedule under sec-*  
25       *tion 5315 of title 5, United States Code, for each*

1           *day during which the member is engaged in the*  
2           *actual performance of the duties of the Advisory*  
3           *Commission.*

4           *(B) TRAVEL EXPENSES.—Each member of*  
5           *the Advisory Commission shall be allowed travel*  
6           *expenses, including per diem in lieu of subsist-*  
7           *ence, at the rate authorized for employees serving*  
8           *intermittently in the Government service under*  
9           *section 5703 of title 5, United States Code, while*  
10          *away from home or regular place of business in*  
11          *the performance of services for the Advisory*  
12          *Commission.*

13          *(2) STAFF.—*

14          *(A) APPOINTMENT AND COMPENSATION.—*  
15          *The Chairperson, in accordance with rules*  
16          *agreed upon by the Advisory Commission, shall*  
17          *appoint and fix the compensation of an executive*  
18          *director and such other personnel as may be nec-*  
19          *essary to enable the Advisory Commission to*  
20          *carry out the functions of the Advisory Commis-*  
21          *sion, without regard to the provisions of title 5,*  
22          *United States Code, governing appointments in*  
23          *the competitive service, and without regard to*  
24          *the provisions of chapter 51 and subchapter III*  
25          *of chapter 53 of such title relating to classifica-*

1            *tion of positions and General Schedule pay rates,*  
 2            *except that a rate of pay fixed under this sub-*  
 3            *paragraph may not exceed the annual rate of*  
 4            *basic pay prescribed for level V of the Executive*  
 5            *Schedule under section 5316 of title 5, United*  
 6            *States Code.*

7            (B) *DETAILEES.*—*Any Federal employee,*  
 8            *including an employee of the Postal Service, may*  
 9            *be detailed to the Advisory Commission without*  
 10           *reimbursement, and such detail shall be without*  
 11           *interruption or loss of the civil service rights,*  
 12           *status, or privilege of the employee.*

13           (h) *STRATEGIC BLUEPRINT FOR LONG-TERM SOL-*  
 14           *VENCY.*—

15           (1) *IN GENERAL.*—*Not later than 9 months after*  
 16           *the date of enactment of this Act, the Advisory Com-*  
 17           *mission shall submit a report that contains a stra-*  
 18           *tegic blueprint for the long-term solvency of the Postal*  
 19           *Service to—*

20                    (A) *the President;*

21                    (B) *the Committee on Homeland Security*  
 22                    *and Governmental Affairs of the Senate;*

23                    (C) *the Committee on Oversight and Gov-*  
 24                    *ernment Reform of the House of Representatives;*

25                    (D) *the Board of Governors; and*

1                   (E) the Postmaster General.

2                   (2) CONTENTS.—The strategic blueprint con-  
3                   tained in the report submitted under paragraph (1)  
4                   shall include—

5                   (A) an assessment of the business model of  
6                   the Postal Service as of the date on which the re-  
7                   port is submitted;

8                   (B) an assessment of potential future busi-  
9                   ness models for the Postal Service, including an  
10                  evaluation of the appropriate balance between—

11                  (i) necessary reductions in costs and  
12                  services; and

13                  (ii) additional opportunities for  
14                  growth and revenue;

15                  (C) a strategy for addressing significant  
16                  current and future liabilities;

17                  (D) identification of opportunities for fur-  
18                  ther reductions in costs;

19                  (E) identification of opportunities for new  
20                  and innovative products and services;

21                  (F) a strategy for future growth;

22                  (G) a vision of how the Postal Service will  
23                  operate in a sustainable manner 20 years after  
24                  the date of enactment of this Act;

1           (H) a strategy for ensuring that the Postal  
2 Service has a sufficient workforce to meet all of  
3 its needs and comply with applicable legal re-  
4 quirements; and

5           (I) recommendations for any legislative  
6 changes necessary to implement the strategic  
7 blueprint described in this paragraph.

8       (i) *STUDY AND STRATEGIC PLAN ON INTERAGENCY*  
9 *AGREEMENTS FOR POST OFFICES.*—

10           (1) *DUTIES OF ADVISORY COMMISSION.*—

11           (A) *STUDY.*—

12           (i) *IN GENERAL.*—*The Advisory Com-*  
13 *mission shall conduct a study concerning*  
14 *the advisability of the Postal Service enter-*  
15 *ing into interagency agreements with Fed-*  
16 *eral, State, and local agencies, with respect*  
17 *to post offices, that—*

18           (I) *streamline and consolidate*  
19 *services provided by Federal, State,*  
20 *and local agencies;*

21           (II) *decrease the costs incurred by*  
22 *Federal agencies in providing services*  
23 *to the general public; and*

24           (III) *improve the efficiency and*  
25 *maintain the customer service stand-*



1                   ards of the Federal, State, and local  
2                   agencies.

3                   (ii) *CLARIFICATION OF INTERAGENCY*  
4                   *AGREEMENTS.*—*The study under clause (i)*  
5                   *shall include consideration of the advis-*  
6                   *ability of the Postal Service entering into*  
7                   *an interagency agreement with Federal*  
8                   *agencies responsible for providing services to*  
9                   *the general public.*

10                  (B) *FINDINGS.*—*The Advisory Commission*  
11                  *shall—*

12                   (i) *not later than 9 months after the*  
13                   *date of enactment of this Act, submit to the*  
14                   *Postal Service the findings of the study con-*  
15                   *ducted under subparagraph (A); and*

16                   (ii) *incorporate the findings described*  
17                   *in clause (i) into the strategic blueprint re-*  
18                   *quired under subsection (h).*

19                  (2) *POSTAL SERVICE STRATEGIC PLAN.*—

20                   (A) *IN GENERAL.*—*Not later than 6 months*  
21                   *after the date on which the Advisory Commission*  
22                   *submits to the Postal Service the findings under*  
23                   *paragraph (1)(B), the Postal Service shall sub-*  
24                   *mit a nonbinding strategic plan for entering*

1           into interagency agreements concerning post of-  
2           fices to—

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

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

9                   (B) *LIMITATIONS.*—The strategic plan sub-  
10                  mitted under subparagraph (A) shall be con-  
11                  sistent with public interest and demand.

12                  (C) *COST SAVINGS PROJECTIONS.*—The  
13                  strategic plan submitted under subparagraph (A)  
14                  shall include, for each proposed interagency  
15                  agreement, a projection of cost savings to be real-  
16                  ized by the Postal Service and by any other Fed-  
17                  eral agency that is a party to the agreement.

18                  (j) *TERMINATION OF THE COMMISSION.*—The Advisory  
19                  Commission shall terminate on the earlier of—

20                   (1) the date that is 60 days after the later of—

21                           (A) the date on which the Advisory Com-  
22                           mission submits the report on the strategic blue-  
23                           print for long-term solvency under subsection  
24                           (h); or



1           (b) *PLAN FOR THE LONG-TERM SOLVENCY OF THE*  
2 *POSTAL SERVICE.*—

3           (1) *SOLVENCY PLAN REQUIRED.*—

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

9                   (B) *DATE.*—The date described in this sub-  
10 paragraph is the later of—

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

13                           (ii) the earliest date as of which the  
14 Board of Governors has the number of mem-  
15 bers required for a quorum.

16           (2) *CONSIDERATIONS.*—The long-term solvency  
17 plan shall take into account—

18                   (A) the legal authority of the Postal Service;

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

22                   (C) any cost savings that the Postal Service  
23 anticipates will be achieved through negotiations  
24 with employees of the Postal Service;

25                   (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 em-  
5           ployees needed to carry out the responsibilities of  
6           the Postal Service; and

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

10          (3) REVIEW AND SUBMISSION TO CONGRESS.—

11           (A) REVIEW.—Upon receipt of the long-  
12           term solvency plan, the Board of Governors shall  
13           review the long-term solvency plan and may re-  
14           quest that the Postmaster General make changes  
15           to the long-term solvency plan.

16           (B) SUBMISSION TO CONGRESS.—Not later  
17           than 60 days after initial receipt of the long-  
18           term solvency plan, the Board of Governors shall  
19           provide a copy of the long-term solvency plan to  
20           the Committee on Homeland Security and Gov-  
21           ernmental Affairs of the Senate and the Com-  
22           mittee on Oversight and Government Reform of  
23           the House of Representatives, together with a let-  
24           ter indicating whether and in what respects the

1           *Board of Governors agrees or disagrees with the*  
2           *measures set out in the long-term solvency plan.*

3           (4) *UPDATES.—*

4                   (A) *ANNUAL UPDATES REQUIRED.—The*  
5           *Postmaster General shall update and submit to*  
6           *the Board of Governors the long-term solvency*  
7           *plan not less frequently than annually for 5*  
8           *years after the date of enactment of this Act.*

9                   (B) *REVIEW BY BOARD OF GOVERNORS.—*  
10          *The Board of Governors shall review and submit*  
11          *to Congress the updates under this paragraph in*  
12          *accordance with paragraph (3).*

13          (c) *ANNUAL FINANCIAL PLAN AND BUDGET.—*

14                   (1) *IN GENERAL.—For each of the first 5 full fis-*  
15          *cal years after the date of enactment of this Act, not*  
16          *later than August 1 of the preceding fiscal year, the*  
17          *Postmaster General shall submit to the Board of Gov-*  
18          *ernors a financial plan and budget for the fiscal year*  
19          *that is consistent with the goal of achieving the long-*  
20          *term solvency of the Postal Service.*

21                   (2) *CONTENTS OF FINANCIAL PLAN AND BUDG-*  
22          *ET.—The financial plan and budget for a fiscal year*  
23          *shall—*

1           (A) promote the financial stability of the  
2           Postal Service and provide for progress towards  
3           the long-term solvency of the Postal Service;

4           (B) include the annual budget program of  
5           the Postal Service under section 2009 of title 39,  
6           United States Code, and the plan of the Postal  
7           Service commonly referred to as the “Integrated  
8           Financial Plan”;

9           (C) describe lump-sum expenditures by all  
10          categories traditionally used by the Postal Serv-  
11          ice;

12          (D) describe capital expenditures, together  
13          with a schedule of projected capital commitments  
14          and cash outlays of the Postal Service, and pro-  
15          posed sources of funding;

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

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

21          (G) include a statement describing methods  
22          of estimations and significant assumptions; and

23          (H) address any other issues that the Board  
24          of Governors considers appropriate.

1           (3) *PROCESS FOR SUBMISSION AND APPROVAL OF*  
2           *FINANCIAL PLAN AND BUDGET.*—

3           (A) *DEFINITION.*—*In this paragraph, the*  
4           *term “covered recipient” means—*

5                     (i) *the Postmaster General;*

6                     (ii) *the President;*

7                     (iii) *the Committee on Homeland Se-*  
8                     *curity and Governmental Affairs of the Sen-*  
9                     *ate; and*

10                    (iv) *the Committee on Oversight and*  
11                    *Government Reform of the House of Rep-*  
12                    *resentatives.*

13           (B) *REVIEW BY THE BOARD OF GOV-*  
14           *ERNORS.*—

15                    (i) *IN GENERAL.*—*Upon receipt of a fi-*  
16                    *nancial plan and budget under paragraph*  
17                    *(1), the Board of Governors shall promptly*  
18                    *review the financial plan and budget.*

19                    (ii) *ADDITIONAL INFORMATION.*—*In*  
20                    *conducting the review under this subpara-*  
21                    *graph, the Board of Governors may request*  
22                    *any additional information it considers*  
23                    *necessary and appropriate to carry out the*  
24                    *duties of the Board of Governors.*



1           (C) APPROVAL OF FINANCIAL PLAN AND  
2 BUDGET SUBMITTED BY THE POSTMASTER GEN-  
3 ERAL.—If the Board of Governors determines  
4 that the financial plan and budget for a fiscal  
5 year received under paragraph (1) meets the re-  
6 quirements under paragraph (2) and otherwise  
7 adequately addresses the financial situation of  
8 the Postal Service—

9           (i) the Board of Governors shall ap-  
10 prove the financial plan and budget and  
11 submit a notice of approval to each covered  
12 recipient; and

13           (ii) the Postmaster General shall sub-  
14 mit the annual budget program for the rel-  
15 evant fiscal year to the Office of Manage-  
16 ment and Budget in accordance with sec-  
17 tion 2009 of title 39, United States Code.

18           (D) DISAPPROVAL OF FINANCIAL PLAN AND  
19 BUDGET SUBMITTED BY THE POSTMASTER GEN-  
20 ERAL.—

21           (i) IN GENERAL.—If the Board of Gov-  
22 ernors determines that the financial plan  
23 and budget for a fiscal year under para-  
24 graph (1) does not meet the requirements  
25 under paragraph (2) or is otherwise inad-

1           *equate in addressing the financial situation*  
2           *of the Postal Service, the Board of Gov-*  
3           *ernors shall—*

4                     *(I) disapprove the financial plan*  
5                     *and budget;*

6                     *(II) submit to each covered recipi-*  
7                     *ent a statement that describes the rea-*  
8                     *sons for the disapproval;*

9                     *(III) direct the Postmaster Gen-*  
10                    *eral to appropriately revise the finan-*  
11                    *cial plan and budget for the Postal*  
12                    *Service; and*

13                    *(IV) submit the revised financial*  
14                    *plan and budget to each covered recipi-*  
15                    *ent.*

16                    *(ii) SUBMISSION TO OFFICE OF MAN-*  
17                    *AGEMENT AND BUDGET.—Upon receipt of a*  
18                    *revised financial plan and budget under*  
19                    *clause (i)(IV), the Postmaster General shall*  
20                    *submit the annual budget program for the*  
21                    *relevant fiscal year to the Office of Manage-*  
22                    *ment and Budget in accordance with sec-*  
23                    *tion 2009 of title 39, United States Code.*

24                    *(E) DEADLINE FOR TRANSMISSION OF FI-*  
25                    *NANCIAL PLAN AND BUDGET BY BOARD OF GOV-*

1           *ERNORS.—Notwithstanding any other provision*  
 2           *of this paragraph, not later than September 30*  
 3           *of the fiscal year that precedes each fiscal year*  
 4           *for which a financial plan and budget is re-*  
 5           *quired under paragraph (1), the Board of Gov-*  
 6           *ernors shall submit to each covered recipient—*

7                     *(i) a notice of approval under subpara-*  
 8                     *graph (C)(i); or*

9                     *(ii) an approved financial plan and*  
 10                    *budget for the fiscal year under subpara-*  
 11                    *graph (D)(i)(IV).*

12           *(F) REVISIONS TO FINANCIAL PLAN AND*  
 13           *BUDGET.—*

14                    *(i) PERMITTING POSTMASTER GENERAL*  
 15                    *TO SUBMIT REVISIONS.—The Postmaster*  
 16                    *General may submit proposed revisions to*  
 17                    *the financial plan and budget for a fiscal*  
 18                    *year to the Board of Governors at any time*  
 19                    *during that fiscal year.*

20                    *(ii) PROCESS FOR REVIEW, APPROVAL,*  
 21                    *DISAPPROVAL, AND POSTMASTER GENERAL*  
 22                    *ACTION.—The procedures described in sub-*  
 23                    *paragraphs (B) through (E) shall apply*  
 24                    *with respect to a proposed revision to a fi-*  
 25                    *nancial plan and budget in the same man-*

1                    *ner as such procedures apply with respect to*  
 2                    *the original financial plan and budget.*

3            *(d) ASSUMPTIONS BASED ON CURRENT LAW.—In pre-*  
 4 *paring the long-term solvency plan or an annual financial*  
 5 *plan and budget required under this section, the Postal*  
 6 *Service shall base estimates of revenues and expenditures*  
 7 *on Federal law as in effect at the time of the preparation*  
 8 *of the long-term solvency plan or the financial plan and*  
 9 *budget.*

10 **SEC. 404. CHIEF INNOVATION OFFICER; INNOVATION**  
 11 **STRATEGY.**

12            *(a) CHIEF INNOVATION OFFICER.—*

13                    *(1) IN GENERAL.—Chapter 2 of title 39, United*  
 14 *States Code, is amended by adding at the end the fol-*  
 15 *lowing:*

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

17            *“(a) ESTABLISHMENT.—There shall be in the Postal*  
 18 *Service a Chief Innovation Officer appointed by the Post-*  
 19 *master General.*

20            *“(b) QUALIFICATIONS.—The Chief Innovation Officer*  
 21 *shall have proven expertise and a record of accomplishment*  
 22 *in areas such as—*

23                    *“(1) the postal and shipping industry;*

24                    *“(2) innovative product research and develop-*  
 25 *ment;*

1           “(3) brand marketing strategy;

2           “(4) new and emerging technology, including  
3           communications technology; or

4           “(5) business process management.

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

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

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

15          “(d) *DEADLINE.*—*The Postmaster General shall ap-*  
16 *point a Chief Innovation Officer not later than 90 days*  
17 *after the date of enactment of the Postal Reform Act of*  
18 *2014.”.*

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

“209. Chief Innovation Officer.”.

23           (b) *INNOVATION STRATEGY.*—

24           (1) *INITIAL REPORT ON INNOVATION STRAT-*  
25 *EGY.*—

1           (A) *IN GENERAL.*—Not later than 9 months  
2 after the date of enactment of this Act, the Post-  
3 master General, acting through the Chief Innova-  
4 tion Officer, shall submit a report that contains  
5 a comprehensive strategy (referred to in this sub-  
6 section as the “innovation strategy”) for improv-  
7 ing the net financial position of the Postal Serv-  
8 ice through innovation, including the offering of  
9 new postal and nonpostal services, to—

10                   (i) the Committee on Homeland Secu-  
11 rity and Governmental Affairs of the Sen-  
12 ate; and

13                   (ii) the Committee on Oversight and  
14 Government Reform of the House of Rep-  
15 resentatives.

16           (B) *MATTERS TO BE ADDRESSED.*—At a  
17 minimum, the report on innovation strategy re-  
18 quired under subparagraph (A) shall describe—

19                   (i) the specific innovative postal and  
20 nonpostal services to be developed and of-  
21 fered by the Postal Service, including—

22                           (I) the nature of the market de-  
23 mand to be satisfied by each product  
24 or service; and

- 1                   (ii) the estimated date by which  
2                   each product or service will be intro-  
3                   duced;
- 4                   (ii) the cost of developing and offering  
5                   each product or service;
- 6                   (iii) the anticipated sales volume for  
7                   each product or service;
- 8                   (iv) the anticipated revenues and prof-  
9                   its to be generated by each product or serv-  
10                  ice;
- 11                  (v) the likelihood of success of each  
12                  product or service and the risks associated  
13                  with the development and sale of each prod-  
14                  uct or service;
- 15                  (vi) the trends anticipated in market  
16                  conditions that may affect the success of  
17                  each product or service during the 5-year  
18                  period beginning on the date of the submis-  
19                  sion of the report under subparagraph (A);
- 20                  (vii) any innovations designed to im-  
21                  prove the net financial position of the Post-  
22                  al Service, other than the offering of new  
23                  products and services; and

1                   (viii) *the metrics that will be used to*  
2                   *assess the effectiveness of the innovation*  
3                   *strategy.*

4                   (2) *ANNUAL REPORT.—*

5                   (A) *IN GENERAL.—Not later than 1 year*  
6                   *after the date of the submission of the initial re-*  
7                   *port containing the innovation strategy under*  
8                   *paragraph (1), and annually thereafter for 10*  
9                   *years, the Postmaster General, acting through the*  
10                   *Chief Innovation Officer, shall submit a report*  
11                   *on the implementation of the innovation strategy*  
12                   *to—*

13                   (i) *the Committee on Homeland Secu-*  
14                   *rity and Governmental Affairs of the Sen-*  
15                   *ate; and*

16                   (ii) *the Committee on Oversight and*  
17                   *Government Reform of the House of Rep-*  
18                   *resentatives.*

19                   (B) *MATTERS TO BE ADDRESSED.—At a*  
20                   *minimum, an annual report submitted under*  
21                   *subparagraph (A) shall include—*

22                   (i) *an update of the initial report on*  
23                   *innovation strategy submitted under para-*  
24                   *graph (1);*



1           (ii) a description of the progress made  
2 by the Postal Service in implementing the  
3 products, services, and other innovations de-  
4 scribed in the initial report on innovation  
5 strategy; and

6           (iii) an analysis of the performance of  
7 each product, service, or other innovation  
8 described in the initial report on innovation  
9 strategy, including—

10           (I) the revenue generated by each  
11 product or service developed in accord-  
12 ance with the innovation strategy  
13 under this section and the cost of devel-  
14 oping and offering each product or  
15 service for the preceding year;

16           (II) trends in each market in  
17 which a product or service is intended  
18 to satisfy a demand;

19           (III) each product or service iden-  
20 tified in the innovation strategy that is  
21 to be discontinued, the date on which  
22 each discontinuance will occur, and the  
23 reasons for each discontinuance;

24           (IV) each alteration that the Post-  
25 al Service plans to make to a product

1            *or service identified in the innovation*  
2            *strategy to address changing market*  
3            *conditions and an explanation of how*  
4            *each alteration will ensure the success*  
5            *of the product or service;*

6            *(V) the performance of innova-*  
7            *tions other than new products and*  
8            *services that are designed to improve*  
9            *the net financial position of the Postal*  
10           *Service; and*

11           *(VI) the performance of the inno-*  
12           *vation strategy according to the*  
13           *metrics described in paragraph*  
14           *(1)(B)(viii).*

15 **SEC. 405. AREA AND DISTRICT OFFICE STRUCTURE.**

16           *(a) DEFINITIONS.—In this section—*

17           *(1) the term “area office” means the central of-*  
18           *fice of an administrative field unit with responsi-*  
19           *bility for postal operations in a designated geographic*  
20           *area that is comprised of district offices;*

21           *(2) the term “district office” means the central*  
22           *office of an administrative field unit with responsi-*  
23           *bility for postal operations in a designated geographic*  
24           *area (as defined under regulations, directives, or other*

1 *guidance of the Postal Service, as in effect on Janu-*  
2 *ary 1, 2013); and*

3 *(3) the term “State” includes the District of Co-*  
4 *lumbia, the Commonwealth of Puerto Rico, the*  
5 *United States Virgin Islands, Guam, American*  
6 *Samoa, the Commonwealth of the Northern Mariana*  
7 *Islands, and any other territory or possession of the*  
8 *United States.*

9 *(b) PLAN REQUIRED.—Not later than 1 year after the*  
10 *date of enactment of this Act, the Postal Service shall sub-*  
11 *mit to the Committee on Homeland Security and Govern-*  
12 *mental Affairs of the Senate and the Committee on Over-*  
13 *sight and Government Reform of the House of Representa-*  
14 *tives a comprehensive strategic plan for an area office and*  
15 *district office structure that will—*

16 *(1) be efficient and cost effective;*

17 *(2) not substantially and adversely affect the op-*  
18 *erations of the Postal Service; and*

19 *(3) reduce the total number of area and district*  
20 *offices.*

21 *(c) IMPLEMENTATION.—Not later than 60 days after*  
22 *the date on which the Postal Service submits the plan under*  
23 *subsection (b), the Postal Service shall begin implementing*  
24 *the plan, including, where appropriate, by consolidating*  
25 *area and district offices.*

1           (d) *STATE LIAISON.*—*If the Postal Service does not*  
 2 *maintain a district office in a State, the Postal Service*  
 3 *shall designate at least 1 employee of the district office re-*  
 4 *sponsible for Postal Service operations in the State to rep-*  
 5 *resent the needs of Postal Service customers in the State.*  
 6 *An employee designated under this subsection to represent*  
 7 *the needs of Postal Service customers in a State shall be*  
 8 *located in that State.*

9   **SEC. 406. INSPECTOR GENERAL OF THE POSTAL SERVICE.**

10           (a) *APPOINTMENT OF INSPECTOR GENERAL OF THE*  
 11 *POSTAL SERVICE BY PRESIDENT.*—*The Inspector General*  
 12 *Act of 1978 (5 U.S.C. App.) is amended—*

13                   (1) *in section 8G—*

14                           (A) *in subsection (a)—*

15                                   (i) *in paragraph (2), by striking “the*  
 16 *Postal Regulatory Commission, and the*  
 17 *United States Postal Service” and inserting*  
 18 *“and the Postal Regulatory Commission”;*

19                                   (ii) *in paragraph (3), by striking*  
 20 *“subsection (h)(1)” and inserting “sub-*  
 21 *section (g)(1)”;* and

22                                   (iii) *in paragraph (4)—*

23   (I) *in the matter preceding sub-*  
 24 *paragraph (A), by striking “subsection*

1                   (h)(1)” and inserting “subsection  
2                   (g)(1)”;

3                   (II) by striking subparagraph  
4                   (B); and

5                   (III) by redesignating subpara-  
6                   graphs (C) through (H) as subpara-  
7                   graphs (B) through (G), respectively;

8                   (B) in subsection (c), by striking “Except as  
9                   provided under subsection (f) of this section, the”  
10                  and inserting “The”;

11                  (C) by striking subsection (f); and

12                  (D) by redesignating subsections (g) and (h)  
13                  as subsections (f) and (g), respectively;

14                  (2) by inserting after section 8M the following:

15       **“SEC. 8N. SPECIAL PROVISIONS CONCERNING THE INSPEC-**  
16                               **TOR GENERAL OF THE UNITED STATES POST-**  
17                               **AL SERVICE.**

18       “(a) In this section—

19                   “(1) the term ‘Governors’ has the meaning given  
20                   that term in section 102(3) of title 39, United States  
21                   Code; and

22                   “(2) the term ‘Inspector General’ means the In-  
23                   spector General of the United States Postal Service.

24       “(b) In carrying out the duties and responsibilities  
25       specified in this Act, the Inspector General shall have over-

1 *sight responsibility for all activities of the Postal Inspection*  
2 *Service, including any internal investigation performed by*  
3 *the Postal Inspection Service. The Chief Postal Inspector*  
4 *shall promptly report the significant activities being car-*  
5 *ried out by the Postal Inspection Service to the Inspector*  
6 *General.*

7       “(c)(1)(A) *The Inspector General shall be under the*  
8 *authority, direction, and control of the Governors with re-*  
9 *spect to audits or investigations, or the issuance of sub-*  
10 *poenas, which require access to sensitive information con-*  
11 *cerning—*

12               “(i) *ongoing civil or criminal investigations or*  
13 *proceedings;*

14               “(ii) *undercover operations;*

15               “(iii) *the identity of confidential sources, includ-*  
16 *ing protected witnesses;*

17               “(iv) *intelligence or counterintelligence matters;*  
18 *or*

19               “(v) *other matters the disclosure of which would*  
20 *constitute a serious threat to national security.*

21       “(B) *With respect to the information described under*  
22 *subparagraph (A), the Governors may prohibit the Inspec-*  
23 *tor General from carrying out or completing any audit or*  
24 *investigation, or from issuing any subpoena, after the In-*  
25 *spector General has decided to initiate, carry out, or com-*

1 *plete such audit or investigation or to issue such subpoena,*  
2 *if the Governors determine that such prohibition is nec-*  
3 *essary to prevent the disclosure of any information de-*  
4 *scribed under subparagraph (A) or to prevent the signifi-*  
5 *cant impairment to the national interests of the United*  
6 *States.*

7       “(C) *If the Governors exercise any power under sub-*  
8 *paragraph (A) or (B), the Governors shall notify the Inspec-*  
9 *tor General in writing of the reasons for the exercise of such*  
10 *power. Not later than 30 days after receipt of any such no-*  
11 *tice, the Inspector General shall transmit a copy of the no-*  
12 *tice to the Committee on Homeland Security and Govern-*  
13 *mental Affairs of the Senate and the Committee on Over-*  
14 *sight and Government Reform of the House of Representa-*  
15 *tives, and to other appropriate committees or subcommittees*  
16 *of the Congress.*

17       “(2) *In carrying out the duties and responsibilities*  
18 *specified in this Act, the Inspector General—*

19               “(A) *may initiate, conduct, and supervise such*  
20 *audits and investigations of the United States Postal*  
21 *Service as the Inspector General considers appro-*  
22 *priate; and*

23               “(B) *shall give particular regard to the activities*  
24 *of the Postal Inspection Service with a view toward*

1        *avoiding duplication and ensuring effective coordina-*  
2        *tion and cooperation.*

3        *“(3) Any report required to be transmitted by the Gov-*  
4        *ernors to the appropriate committees or subcommittees of*  
5        *the Congress under section 5(d) shall also be transmitted,*  
6        *within the 7-day period specified under that section, to the*  
7        *Committee on Homeland Security and Governmental Af-*  
8        *airs of the Senate and the Committee on Oversight and*  
9        *Government Reform of the House of Representatives.*

10        *“(d) Nothing in this Act shall restrict, eliminate, or*  
11        *otherwise adversely affect any of the rights, privileges, or*  
12        *benefits of either employees of the United States Postal*  
13        *Service, or labor organizations representing employees of*  
14        *the United States Postal Service, under chapter 12 of title*  
15        *39, United States Code, the National Labor Relations Act*  
16        *(29 U.S.C. 151 et seq.), any handbook or manual affecting*  
17        *employee labor relations with the United States Postal*  
18        *Service, or any collective bargaining agreement.*

19        *“(e) There are authorized to be appropriated, out of*  
20        *the Postal Service Fund, such sums as may be necessary*  
21        *for the Office of Inspector General of the United States Post-*  
22        *al Service.”; and*

23                *(3) in section 12—*

24                        *(A) in paragraph (1), by striking “or the*  
25                        *Director of the National Reconnaissance Office”*



1           *and inserting “the Director of the National Re-*  
2           *connaissance Office; or the Board of Governors of*  
3           *the United States Postal Service”;* and

4                     *(B) in paragraph (2), by striking “or the*  
5           *National Reconnaissance Office” and inserting*  
6           *“the National Reconnaissance Office, or the*  
7           *United States Postal Service”.*

8           **(b) TECHNICAL AND CONFORMING AMENDMENTS.—**  
9           *Title 39, United States Code, is amended—*

10                    *(1) in section 102(4), by striking “section 202(e)*  
11           *of this title” and inserting “section 3 of the Inspector*  
12           *General Act of 1978 (5 U.S.C. App.)”;*

13                    *(2) in section 1001(b), in the first sentence, by*  
14           *inserting “, and section 3 of the Inspector General Act*  
15           *of 1978 (5 U.S.C. App.)” after “1001(c) of this title”;*  
16           *and*

17                    *(3) in section 1005(a)(3), by inserting “, and*  
18           *section 3 of the Inspector General Act of 1978 (5*  
19           *U.S.C. App.)” after “1001(c) of this title”.*

20           **(c) APPLICABILITY.—**

21                    *(1) IN GENERAL.—The amendments made by*  
22           *this section shall apply with respect to the first indi-*  
23           *vidual appointed as Inspector General of the Postal*  
24           *Service after the date of enactment of this Act.*

1           (2) *RULE OF CONSTRUCTION.*—*Nothing in this*  
2           *Act may be construed to alter the authority or the*  
3           *length of the term of the individual serving as Inspec-*  
4           *tor General of the Postal Service on the date of enact-*  
5           *ment of this Act.*

6 **SEC. 407. POSTAL REGULATORY COMMISSION.**

7           (a) *COMMISSIONERS.*—*Section 502 of title 39, United*  
8           *States Code, is amended—*

9                   (1) *in subsection (c), by striking “subsection (f)”*  
10           *and inserting “subsections (f) and (g)”;* and

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

12           “*(g) The Commissioners may serve for not more than*  
13           *2 full terms.*”.

14           (b) *ADMINISTRATION.*—*Section 504 of title 39, United*  
15           *States Code, is amended—*

16                   (1) *in subsection (a), in the second sentence—*

17                           (A) *by striking “The Chairman” and in-*  
18                           *serting “Subject to the policies adopted under*  
19                           *subsection (b), the Chairman”;* and

20                           (B) *by striking “all the executive” and in-*  
21                           *serting “the day-to-day executive”;*

22                   (2) *by amending subsection (b) to read as fol-*  
23           *lows:*

1       “(b)(1) *The Chairman shall be governed by the policies*  
 2 *adopted by the Commission under paragraph (2)(A) in car-*  
 3 *rying out any of the functions under this section.*

4       “(2) *The Commission shall adopt, by a vote of the ma-*  
 5 *jority of the members of the Commission, policies that shall*  
 6 *govern all functions of the Commission, including the fi-*  
 7 *nances, operations, and administration of the Commission.*

8       “(3) *The Commission shall review and, if necessary,*  
 9 *revise the policies adopted under paragraph (2) not less fre-*  
 10 *quently than every 4 years. Adoption of revised policies, or*  
 11 *re-adoption of existing policies, shall be by a vote of the*  
 12 *majority of the members of the Commission.”; and*

13               (3) *in subsection (c), by striking “The Chair-*  
 14 *man” and inserting “Subject to the policies adopted*  
 15 *under subsection (b), the Chairman”.*

16 **SEC. 408. POSTAL SERVICE CONTRACTS AND CONGRES-**  
 17 **SIONAL OVERSIGHT AUTHORITY.**

18       (a) *IN GENERAL.*—Chapter 4 of title 39, United States  
 19 *Code, is amended by adding at the end the following:*

20 **“§417. Postal Service contracts and congressional**  
 21 **oversight authority**

22       *“The Postal Service may not enter into any contract*  
 23 *that restricts the ability of Congress to exercise oversight*  
 24 *authority.”.*

1           (b) *TECHNICAL AND CONFORMING AMENDMENT.*—*The*  
 2 *table of sections for chapter 4 of title 39, United States*  
 3 *Code, is amended by adding at the end the following:*

“417. *Postal Service contracts and congressional oversight authority.*”.

4           ***TITLE V—FEDERAL EMPLOYEES’***  
 5                           ***COMPENSATION ACT***

6           ***SEC. 501. SHORT TITLE; REFERENCES.***

7           (a) *SHORT TITLE.*—*This title may be cited as the*  
 8 *“Workers’ Compensation Reform Act of 2014”.*

9           (b) *REFERENCES.*—*Except as otherwise expressly pro-*  
 10 *vided, whenever in this title an amendment or repeal is ex-*  
 11 *pressed in terms of an amendment to, or a repeal of, a sec-*  
 12 *tion or other provision, the reference shall be considered to*  
 13 *be made to a section or other provision of title 5, United*  
 14 *States Code.*

15           ***SEC. 502. FEDERAL WORKERS COMPENSATION REFORMS***  
 16                           ***FOR RETIREMENT-AGE EMPLOYEES.***

17           (a) *CONVERSION OF ENTITLEMENT AT RETIREMENT*  
 18 *AGE.*—

19                   (1) *DEFINITIONS.*—*Section 8101 is amended—*

20                           (A) *in paragraph (18), by striking “and”*  
 21 *at the end;*

22                           (B) *in paragraph (19), by striking “and”*  
 23 *at the end;*

24                           (C) *in paragraph (20), by striking the pe-*  
 25 *riod at the end and inserting a semicolon; and*

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

2                   “(21) ‘retirement age’ has the meaning given  
3 that term under section 216(l)(1) of the Social Security  
4 Act (42 U.S.C. 416(l)(1));

5                   “(22) ‘covered claim for total disability’ means a  
6 claim for a period of total disability that commenced  
7 before the date of enactment of the Workers’ Com-  
8 pensation Reform Act of 2014;

9                   “(23) ‘covered claim for partial disability’ means  
10 a claim for a period of partial disability that com-  
11 menced before the date of enactment of the Workers’  
12 Compensation Reform Act of 2014; and

13                   “(24) ‘individual who has an exempt disability  
14 condition’ means an individual—

15                   “(A) who—

16                   “(i) is eligible to receive continuous  
17 periodic compensation for total disability  
18 under section 8105 on the date of enactment  
19 of the Workers’ Compensation Reform Act of  
20 2014; and

21                   “(ii) meets the criteria under section  
22 8105(c);

23                   “(B) who, on the date of enactment of the  
24 Workers’ Compensation Reform Act of 2014—

1           “(i) is eligible to receive continuous  
2           periodic compensation for total disability  
3           under section 8105; and

4           “(ii) has sustained a currently irre-  
5           versible severe mental or physical disability  
6           for which the Secretary of Labor has au-  
7           thorized, for at least the 1-year period end-  
8           ing on the date of enactment of the Workers’  
9           Compensation Reform Act of 2014, constant  
10          in-home care or custodial care, such as  
11          placement in a nursing home; or

12          “(C) who is eligible to receive continuous  
13          periodic compensation for total disability under  
14          section 8105—

15                 “(i) for not less than the 3-year period  
16                 ending on the date of enactment of the  
17                 Workers’ Compensation Reform Act of 2014;  
18                 or

19                 “(ii) if the individual became eligible  
20                 to receive continuous periodic compensation  
21                 for total disability under section 8105 dur-  
22                 ing the period beginning on the date that is  
23                 3 years before the date of enactment of the  
24                 Workers’ Compensation Reform Act of 2014  
25                 and ending on such date of enactment, for

1                   *not less than the 3-year period beginning on*  
 2                   *the date on which the individual became eli-*  
 3                   *gible.”.*

4                   (2) *TOTAL DISABILITY.—Section 8105 is amend-*  
 5                   *ed—*

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); and*

11                   (C) *by inserting after subsection (a) the fol-*  
 12                   *lowing:*

13                   “(b) *CONVERSION OF ENTITLEMENT AT RETIREMENT*  
 14                   *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 shall*  
 18                   *be 50 percent of the monthly pay of the employee.*

19                   “(2) *EXCEPTIONS.—*

20                   “(A) *COVERED RECIPIENTS WHO HAVE AT-*  
 21                   *TAINED RETIREMENT AGE, HAVE AN EXEMPT*  
 22                   *DISABILITY CONDITION, OR FACE FINANCIAL*  
 23                   *HARDSHIP.—Paragraph (1) shall not apply to a*  
 24                   *covered claim for total disability by an employee*  
 25                   *if the employee—*

1           “(i) on the date of enactment of the  
2           *Workers’ Compensation Reform Act of 2014,*  
3           *has attained retirement age;*

4           “(ii) is an individual who has an ex-  
5           *empt disability condition; or*

6           “(iii) is a member of a household that  
7           *would meet the income and assets require-*  
8           *ments for eligibility for the supplemental*  
9           *nutrition assistance program as described*  
10           *in section 5 of the Food and Nutrition Act*  
11           *of 2008 (7 U.S.C. 2014) (not including any*  
12           *provisions permitting eligibility due to ben-*  
13           *efits received under any other law) if the*  
14           *basic compensation for total disability of*  
15           *the employee were provided in accordance*  
16           *with paragraph (1).*

17           “(B) *TRANSITION PERIOD FOR CERTAIN EM-*  
18           *PLOYEES.—For a covered claim for total dis-*  
19           *ability by an employee who is not an employee*  
20           *described in subparagraph (A), the employee*  
21           *shall receive the basic compensation for total dis-*  
22           *ability provided under subsection (a) until the*  
23           *later of—*

24           “(i) the date on which the employee at-  
25           *tains retirement age; and*



1                   “(ii) the date that is 3 years after the  
2                   date of enactment of the Workers’ Com-  
3                   pensation Reform Act of 2014.”.

4                   (3) *PARTIAL DISABILITY*.—Section 8106 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 subsections (b) and (c)  
10                  as subsections (c) and (d), respectively; and

11                  (C) by inserting after subsection (a) the fol-  
12                  lowing:

13                  “(b) *CONVERSION OF ENTITLEMENT AT RETIREMENT*  
14                  *AGE*.—

15                         “(1) *IN GENERAL*.—Except as provided in para-  
16                         graph (2), the basic compensation for partial dis-  
17                         ability for an employee who has attained retirement  
18                         age shall be 50 percent of the difference between the  
19                         monthly pay of the employee and the monthly wage-  
20                         earning capacity of the employee after the beginning  
21                         of the partial disability.

22                         “(2) *EXCEPTIONS*.—

23                                 “(A) *COVERED RECIPIENTS WHO HAVE AT-*  
24                                 *TAINED RETIREMENT AGE OR FACE FINANCIAL*  
25                                 *HARDSHIP*.—Paragraph (1) shall not apply to a

1 covered claim for partial disability by an em-  
2 ployee if the employee—

3 “(i) on the date of enactment of the  
4 Workers’ Compensation Reform Act of 2014,  
5 has attained retirement age; or

6 “(ii) is a member of a household that  
7 would meet the income and assets require-  
8 ments for eligibility for the supplemental  
9 nutrition assistance program as described  
10 in section 5 of the Food and Nutrition Act  
11 of 2008 (7 U.S.C. 2014) (not including any  
12 provisions permitting eligibility due to ben-  
13 efits received under any other law) if the  
14 basic compensation for total disability of  
15 the employee were provided in accordance  
16 with paragraph (1).

17 “(B) TRANSITION PERIOD FOR CERTAIN EM-  
18 PLOYEES.—For a covered claim for partial dis-  
19 ability by an employee who is not an employee  
20 described in subparagraph (A), the employee  
21 shall receive basic compensation for partial dis-  
22 ability in accordance with subsection (a) until  
23 the later of—

24 “(i) the date on which the employee at-  
25 tains retirement age; and

1                   “(ii) the date that is 3 years after the  
2                   date of enactment of the Workers’ Com-  
3                   pensation Reform Act of 2014.”.

4 **SEC. 503. AUGMENTED COMPENSATION FOR DEPENDENTS.**

5           (a) *IN GENERAL.*—Section 8110 is amended—

6                   (1) by redesignating subsection (b) as subsection  
7                   (c); and

8                   (2) by inserting after subsection (a) the fol-  
9                   lowing:

10           “(b) *TERMINATION OF AUGMENTED COMPENSATION.*—

11                   “(1) *IN GENERAL.*—Subject to paragraph (2),  
12                   augmented compensation for dependants under sub-  
13                   section (c) shall not be provided.

14                   “(2) *EXCEPTIONS.*—

15                           “(A) *TOTAL DISABILITY.*—For a covered  
16                           claim for total disability by an employee—

17                                   “(i) the employee shall receive aug-  
18                                   mented compensation under subsection (c) if  
19                                   the employee is an individual who has an  
20                                   exempt disability condition; and

21                                   “(ii) the employee shall receive aug-  
22                                   mented compensation under subsection (c)  
23                                   until the date that is 3 years after the date  
24                                   of enactment of the Workers’ Compensation

1            *Reform Act of 2014 if the employee is not*  
 2            *an employee described in clause (i).*

3            “(B) *PARTIAL DISABILITY.—For a covered*  
 4            *claim for partial disability by an employee, the*  
 5            *employee shall receive augmented compensation*  
 6            *under subsection (c) until the date that is 3*  
 7            *years after the date of enactment of the Workers’*  
 8            *Compensation Reform Act of 2014.*

9            “(C) *PERMANENT DISABILITY COM-*  
 10            *PENSATED BY A SCHEDULE.—For a claim for a*  
 11            *permanent disability described in section*  
 12            *8107(a) by an employee that commenced before*  
 13            *the date of enactment of the Workers’ Compensa-*  
 14            *tion Reform Act of 2014, the employee shall re-*  
 15            *ceive augmented compensation under subsection*  
 16            *(c).”.*

17            (b) *MAXIMUM AND MINIMUM MONTHLY PAYMENTS.—*  
 18            *Section 8112 is amended—*

19            (1) *in subsection (a)—*

20            (A) *by inserting “subsections (b) and (c)*  
 21            *and” before “section 8138”;*

22            (B) *by striking “including augmented com-*  
 23            *penetration under section 8110 of this title but”;*  
 24            *and*

1           (C) by striking “75 percent” each place it  
2           appears and inserting “66 <sup>2</sup>/<sub>3</sub> percent”;

3           (2) by redesignating subsection (b) as subsection  
4           (c);

5           (3) by inserting after subsection (a) the fol-  
6           lowing:

7           “(b) *EXCEPTIONS.*—

8           “(1) *COVERED DISABILITY CONDITION.*—For a  
9           covered claim for total disability by an employee, if  
10          the employee is an individual who has an exempt dis-  
11          ability condition—

12           “(A) the monthly rate of compensation for  
13          disability that is subject to the maximum and  
14          minimum monthly amounts under subsection (a)  
15          shall include any augmented compensation  
16          under section 8110; and

17           “(B) subsection (a) shall be applied by sub-  
18          stituting ‘75 percent’ for ‘66 <sup>2</sup>/<sub>3</sub> percent’ each  
19          place it appears.

20          “(2) *PARTIAL DISABILITY.*—For a covered claim  
21          for partial disability by an employee, until the date  
22          that is 3 years after the date of enactment of the  
23          Workers’ Compensation Reform Act of 2014—

24           “(A) the monthly rate of compensation for  
25          disability that is subject to the maximum and

1           *minimum monthly amounts under subsection (a)*  
2           *shall include any augmented compensation*  
3           *under section 8110; and*

4                   “(B) subsection (a) shall be applied by sub-  
5           stituting ‘75 percent’ for ‘66  $\frac{2}{3}$  percent’ each  
6           place it appears.”; and

7           (4) in subsection (c), as redesignated by para-  
8           graph (2), by striking “subsection (a)” and inserting  
9           “subsections (a) and (b)”.

10          (c) *DEATH BENEFITS GENERALLY.*—Section 8133 is  
11 *amended—*

12           (1) in subsections (a) and (e), by striking “75  
13           percent” each place it appears and inserting “66  $\frac{2}{3}$   
14           percent (except as provided in subsection (g))”; and

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

16           “(g) If the death occurred before the date of enactment  
17           of the Workers’ Compensation Reform Act of 2014, sub-  
18           sections (a) and (e) shall be applied by substituting ‘75 per-  
19           cent’ for ‘66  $\frac{2}{3}$  percent’ each place it appears.”.

20          (d) *DEATH BENEFITS FOR CIVIL AIR PATROL VOLUN-*  
21 *TEERS.*—Section 8141 is amended—

22           (1) in subsection (b)(2)(B) by striking “75 per-  
23           cent” and inserting “66  $\frac{2}{3}$  percent (except as pro-  
24           vided in subsection (c))”;

1           (2) by redesignating subsection (c) as subsection  
2           (d); and

3           (3) by inserting after subsection (b) the fol-  
4           lowing:

5           “(c) If the death occurred before the date of enactment  
6 of the Workers’ Compensation Reform Act of 2014, sub-  
7 section (b)(2)(B) shall be applied by substituting ‘75 per-  
8 cent’ for ‘66  $\frac{2}{3}$  percent’.”.

9   **SEC. 504. SCHEDULE COMPENSATION PAYMENTS.**

10          Section 8107 is amended—

11           (1) in subsection (a), by striking “at the rate of  
12          66  $\frac{2}{3}$  percent of his monthly pay” and inserting “at  
13          the rate specified under subsection (d)”; and

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

15          “(d) *RATE FOR COMPENSATION.*—

16           “(1) *ANNUAL SALARY.*—

17           “(A) *IN GENERAL.*—Except as provided in  
18          paragraph (2), the rate under subsection (a)  
19          shall be the rate of 66  $\frac{2}{3}$  percent of the annual  
20          salary level established under subparagraph (B),  
21          in a lump sum equal to the present value (as  
22          calculated under subparagraph (C)) of the  
23          amount of compensation payable under the  
24          schedule.

25           “(B) *ESTABLISHMENT.*—

1           “(i) *IN GENERAL.*—*The Secretary of*  
2           *Labor shall establish an annual salary for*  
3           *purposes of subparagraph (A) in the*  
4           *amount the Secretary determines will result*  
5           *in the aggregate cost of payments made*  
6           *under this section being equal to what*  
7           *would have been the aggregate cost of pay-*  
8           *ments under this section if the amendments*  
9           *made by section 504 of the Workers’ Com-*  
10           *ensation Reform Act of 2014 had not been*  
11           *enacted.*

12           “(ii) *COST OF LIVING ADJUSTMENT.*—  
13           *The annual salary established under clause*  
14           *(i) shall be increased on March 1 of each*  
15           *year by the amount determined by the Sec-*  
16           *retary of Labor to represent the percent*  
17           *change in the price index published for De-*  
18           *cember of the preceding year over the price*  
19           *index published for the December of the year*  
20           *prior to the preceding year, adjusted to the*  
21           *nearest one-tenth of 1 percent.*

22           “(C) *PRESENT VALUE.*—*The Secretary of*  
23           *Labor shall calculate the present value for pur-*  
24           *poses of subparagraph (A) using a rate of inter-*  
25           *est equal to the average market yield for out-*



1           *standing marketable obligations of the United*  
2           *States with a maturity of 2 years on the first*  
3           *business day of the month in which the com-*  
4           *ensation is paid or, in the event that such mar-*  
5           *ketable obligations are not being issued on such*  
6           *date, at an equivalent rate selected by the Sec-*  
7           *retary of Labor, true discount compounded an-*  
8           *nually.*

9           “(2) *CERTAIN INJURIES.*—*For an injury that oc-*  
10          *curred before the date of enactment of the Workers’*  
11          *Compensation Reform Act of 2014, the rate under*  
12          *subsection (a) shall be 66 <sup>2</sup>/<sub>3</sub> percent of the employee’s*  
13          *monthly pay.*

14          “(e) *SIMULTANEOUS RECEIPT.*—

15                 “(1) *TOTAL DISABILITY.*—*An employee who re-*  
16                 *ceives compensation for total disability under section*  
17                 *8105 may only receive the lump sum of schedule com-*  
18                 *ensation under this section in addition to and si-*  
19                 *multaneously with the benefits for total disability*  
20                 *after the earlier of—*

21                         “(A) *the date on which the basic compensa-*  
22                         *tion for total disability of the employee becomes*  
23                         *50 percent of the monthly pay of the employee*  
24                         *under section 8105(b); or*

1           “(B) the date on which augmented com-  
2           pensation of the employee terminates under sec-  
3           tion 8110(b)(2)(A)(ii), if the employee receives  
4           such compensation.

5           “(2) *PARTIAL DISABILITY*.—An employee who re-  
6           ceives benefits for partial disability under section  
7           8106 may only receive the lump sum of schedule com-  
8           pensation under this section in addition to and si-  
9           multaneously with the benefits for partial disability  
10          after the earlier of—

11           “(A) the date on which the basic compensa-  
12          tion for partial disability of the employee be-  
13          comes 50 percent of the difference between the  
14          monthly pay of the employee and the monthly  
15          wage-earning capacity of the employee after the  
16          beginning of the partial disability under section  
17          8106(b); or

18           “(B) the date on which augmented com-  
19          pensation of the employee terminates under sec-  
20          tion 8110(b)(2)(B), if the employee receives such  
21          compensation.”.

22 **SEC. 505. VOCATIONAL REHABILITATION.**

23          (a) *IN GENERAL*.—Section 8104 is amended—

24           (1) in subsection (a)—

1           (A) by striking “(a) The Secretary of Labor  
2           may” and all that follows through “undergo vo-  
3           cational rehabilitation.” and inserting the fol-  
4           lowing:

5           “(a) *IN GENERAL.*—

6           “(1) *DIRECTION.*—*Except as provided in para-*  
7           *graph (2), not earlier than the date that is 6 months*  
8           *after the date on which an individual eligible for*  
9           *wage-loss compensation under section 8105 or 8106 is*  
10           *injured, or by such other date as the Secretary of*  
11           *Labor determines it would be reasonable under the*  
12           *circumstances for the individual to begin vocational*  
13           *rehabilitation, and if vocational rehabilitation may*  
14           *enable the individual to become capable of more gain-*  
15           *ful employment, the Secretary of Labor shall direct*  
16           *the individual to participate in developing a com-*  
17           *prehensive return to work plan and to undergo voca-*  
18           *tional rehabilitation at a location a reasonable dis-*  
19           *tance from the residence of the individual.”;*

20           (B) by striking “the Secretary of Health,  
21           Education, and Welfare in carrying out the pur-  
22           poses of chapter 4 of title 29” and inserting “the  
23           Secretary of Education in carrying out the pur-  
24           poses of the Rehabilitation Act of 1973 (29  
25           U.S.C. 701 et seq.)”;

1           (C) by striking “under section 32(b)(1) of  
2           title 29” and inserting “under section 5 of the  
3           Rehabilitation Act of 1973 (29 U.S.C. 704”;  
4           and

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

6           “(2) *EXCEPTION.*—The Secretary of Labor may  
7           not direct an individual who has attained retirement  
8           age to participate in developing a comprehensive re-  
9           turn to work plan or to undergo vocational rehabili-  
10          tation.”;

11          (2) by redesignating subsection (b) as subsection  
12          (c);

13          (3) by inserting after subsection (a) the fol-  
14          lowing:

15          “(b) *CONTENTS OF RETURN TO WORK PLAN.*—A re-  
16          turn to work plan developed under subsection (a)—

17                 “(1) shall—

18                         “(A) set forth specific measures designed to  
19                         increase the wage-earning capacity of an indi-  
20                         vidual;

21                         “(B) take into account the prior training  
22                         and education of the individual and the train-  
23                         ing, educational, and employment opportunities  
24                         reasonably available to the individual; and

1           “(C) provide that any employment under-  
2           taken by the individual under the return to work  
3           plan be at a location a reasonable distance from  
4           the residence of the individual;

5           “(2) may provide that the Secretary will pay out  
6           of amounts in the Employees’ Compensation Fund  
7           reasonable expenses of vocational rehabilitation  
8           (which may include tuition, books, training fees, sup-  
9           plies, equipment, and child or dependent care) during  
10          the course of the plan; and

11          “(3) may not be for a period of more than 2  
12          years, unless the Secretary finds good cause to grant  
13          an extension, which may be for not more than 2  
14          years.”;

15          (4) in subsection (c), as so redesignated—

16                  (A) by inserting “COMPENSATION.—” before  
17                  “Notwithstanding”; and

18                  (B) by striking “, other than employment  
19                  undertaken pursuant to such rehabilitation”;  
20                  and

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

22          “(d) ASSISTED REEMPLOYMENT AGREEMENTS.—

23                  “(1) IN GENERAL.—The Secretary may enter  
24                  into an assisted reemployment agreement with an  
25                  agency or instrumentality of any branch of the Fed-

1        *eral Government or a State or local government or a*  
 2        *private employer that employs an individual eligible*  
 3        *for wage-loss compensation under section 8105 or*  
 4        *8106 to enable the individual to return to productive*  
 5        *employment.*

6            “(2) *CONTENTS.—An assisted reemployment*  
 7        *agreement under paragraph (1)—*

8            “(A) *may provide that the Secretary will*  
 9        *use amounts in the Employees’ Compensation*  
 10        *Fund to reimburse an employer in an amount*  
 11        *equal to not more than 100 percent of the com-*  
 12        *penensation the individual would otherwise receive*  
 13        *under section 8105 or 8106; and*

14            “(B) *may not be for a period of more than*  
 15        *3 years.*

16            “(e) *LIST.—To facilitate the hiring of individuals eli-*  
 17        *gible for wage-loss compensation under section 8105 or*  
 18        *8106, the Secretary shall provide a list of such individuals*  
 19        *to the Office of Personnel Management, which the Office of*  
 20        *Personnel Management shall provide to all agencies and in-*  
 21        *strumentalities of the Federal Government.”.*

22            (b) *EMPLOYEES’ COMPENSATION FUND.—Section 8147*  
 23        *is amended by adding at the end:*

24            “(d) *Notwithstanding subsection (b), any benefits or*  
 25        *other payments paid to or on behalf of an employee under*

1 *this subchapter or any extension or application thereof for*  
 2 *a recurrence of injury, consequential injury, aggravation*  
 3 *of injury, or increase in percentage of impairment to a*  
 4 *member for which compensation is provided under the*  
 5 *schedule under section 8107 suffered in a permanent posi-*  
 6 *tion with an agency or instrumentality of the United States*  
 7 *while the employment with the agency or instrumentality*  
 8 *is covered under an assisted reemployment agreement en-*  
 9 *tered into under section 8104(d) shall not be included in*  
 10 *total cost of benefits and other payments in the statement*  
 11 *provided to the agency or instrumentality under subsection*  
 12 *(b) if the injury was originally incurred in a position not*  
 13 *covered by an assisted reemployment agreement.”.*

14 *(c) TERMINATION OF VOCATIONAL REHABILITATION*  
 15 *REQUIREMENT AFTER RETIREMENT AGE.—Section*  
 16 *8113(b) is amended by adding at the end the following: “An*  
 17 *individual who has attained retirement age may not be re-*  
 18 *quired to undergo vocational rehabilitation.”.*

19 *(d) MANDATORY BENEFIT REDUCTION FOR NON-*  
 20 *COMPLIANCE.—Section 8113(b) is amended by striking*  
 21 *“may reduce” and inserting “shall reduce”.*

22 *(e) TECHNICAL AND CONFORMING AMENDMENTS.—*

23 *(1) IN GENERAL.—Subchapter III of chapter 15*  
 24 *of title 31, United States Code, is amended by adding*  
 25 *at the end the following:*

1 **“§ 1538. Authorization for assisted reemployment**

2       *“Funds may be transferred from the Employees’ Com-*  
 3 *ensation Fund established under section 8147 of title 5 to*  
 4 *the applicable appropriations account for an agency or in-*  
 5 *strumentality of any branch of the Federal Government for*  
 6 *the purposes of reimbursing the agency or instrumentality*  
 7 *in accordance with an assisted reemployment agreement en-*  
 8 *tered into under section 8104 of title 5.”.*

9           (2) *TABLE OF SECTIONS.—The table of sections*  
 10 *for chapter 15 of title 31, United States Code, is*  
 11 *amended by inserting after the item relating to sec-*  
 12 *tion 1537 the following:*

*“1538. Authorization for assisted reemployment.”.*

13 **SEC. 506. REPORTING REQUIREMENTS.**

14       (a) *IN GENERAL.—Chapter 81 is amended by insert-*  
 15 *ing after section 8106 the following:*

16 **“§ 8106a. Reporting requirements**

17       “(a) *DEFINITION.—In this section, the term ‘employee*  
 18 *receiving compensation’ means an employee who—*

19           *“(1) is paid compensation under section 8105 or*  
 20 *8106; and*

21           *“(2) has not attained retirement age.*

22       “(b) *AUTHORITY.—The Secretary of Labor shall re-*  
 23 *quire an employee receiving compensation to report the*  
 24 *earnings of the employee receiving compensation from em-*



1 *ployment or self-employment, by affidavit or otherwise, in*  
 2 *the manner and at the times the Secretary specifies.*

3       “(c) *CONTENTS.*—*An employee receiving compensation*  
 4 *shall include in a report required under subsection (a) the*  
 5 *value of housing, board, lodging, and other advantages*  
 6 *which are part of the earnings of the employee receiving*  
 7 *compensation in employment or self-employment and the*  
 8 *value of which can be estimated.*

9       “(d) *FAILURE TO REPORT AND FALSE REPORTS.*—

10           “(1) *IN GENERAL.*—*An employee receiving com-*  
 11 *pen- sation who fails to make an affidavit or other re-*  
 12 *port required under subsection (b) or who knowingly*  
 13 *omits or understates any part of the earnings of the*  
 14 *employee in such an affidavit or other report shall*  
 15 *forfeit the right to compensation with respect to any*  
 16 *period for which the report was required.*

17           “(2) *FORFEITED COMPENSATION.*—*Compensation*  
 18 *forfeited under this subsection, if already paid to the*  
 19 *employee receiving compensation, shall be recovered*  
 20 *by a deduction from the compensation payable to the*  
 21 *employee or otherwise recovered under section 8129,*  
 22 *unless recovery is waived under that section.”.*

23       “(b) *TECHNICAL AND CONFORMING AMENDMENTS.*—  
 24 *The table of sections for chapter 81 is amended by inserting*  
 25 *after the item relating to section 8106 the following:*

“8106a. *Reporting requirements.*”.

1 **SEC. 507. DISABILITY MANAGEMENT REVIEW; INDE-**  
2 **PENDENT MEDICAL EXAMINATIONS.**

3 *Section 8123 is amended by adding at the end the fol-*  
4 *lowing:*

5 “(e) *DISABILITY MANAGEMENT REVIEW.*—

6 “(1) *DEFINITIONS.*—*In this subsection—*

7 “(A) *the term ‘covered employee’ means an*  
8 *employee who is in continuous receipt of com-*  
9 *ensation for total disability under section 8105*  
10 *for a period of not less than 6 months; and*

11 “(B) *the term ‘disability management re-*  
12 *view process’ means the disability management*  
13 *review process established under paragraph*  
14 *(2)(A).*

15 “(2) *ESTABLISHMENT.*—*The Secretary of Labor*  
16 *shall—*

17 “(A) *establish a disability management re-*  
18 *view process for the purpose of certifying and*  
19 *monitoring the disability status and extent of in-*  
20 *jury of each covered employee; and*

21 “(B) *promulgate regulations for the admin-*  
22 *istration of the disability management review*  
23 *process.*

24 “(3) *PHYSICAL EXAMINATIONS REQUIRED.*—  
25 *Under the disability management review process, the*  
26 *Secretary of Labor shall periodically require covered*

1        *employees to submit to physical examinations under*  
2        *subsection (a) by physicians selected by the Secretary.*  
3        *A physician conducting a physical examination of a*  
4        *covered employee shall submit to the Secretary a re-*  
5        *port regarding the nature and extent of the injury to*  
6        *and disability of the covered employee.*

7            *“(4) FREQUENCY.—*

8            *“(A) IN GENERAL.—The regulations pro-*  
9            *mulgated under paragraph (2)(B) shall specify*  
10          *the process and criteria for determining when*  
11          *and how frequently a physical examination*  
12          *should be conducted for a covered employee.*

13          *“(B) MINIMUM FREQUENCY.—*

14          *“(i) INITIAL.—An initial physical ex-*  
15          *amination shall be conducted not more than*  
16          *a brief period after the date on which a cov-*  
17          *ered employee has been in continuous re-*  
18          *ceipt of compensation for total disability*  
19          *under section 8015 for 6 months.*

20          *“(ii) SUBSEQUENT EXAMINATIONS.—*

21          *After the initial physical examination,*  
22          *physical examinations of a covered em-*  
23          *ployee shall be conducted not less than once*  
24          *every 3 years.*

1           “(5) *EMPLOYING AGENCY OR INSTRUMENTALITY*  
2           *REQUESTS.*—

3           “(A) *IN GENERAL.*—*The agency or instru-*  
4           *mentality employing an employee who has made*  
5           *a claim for compensation for total disability*  
6           *under section 8105 may at any time submit a*  
7           *request for the Secretary of Labor to promptly*  
8           *require the employee to submit to a physical ex-*  
9           *amination under this subsection.*

10           “(B) *REQUESTING OFFICER.*—*A request*  
11           *under subparagraph (A) shall be made on behalf*  
12           *of an agency or instrumentality by—*

13                   “(i) *the head of the agency or instru-*  
14                   *mentality;*

15                   “(ii) *the Chief Human Capital Officer*  
16                   *of the agency or instrumentality; or*

17                   “(iii) *if the agency or instrumentality*  
18                   *does not have a Chief Human Capital Offi-*  
19                   *cer, an officer with responsibilities similar*  
20                   *to those of a Chief Human Capital Officer*  
21                   *designated by the head of the agency or in-*  
22                   *strumentality to make requests under this*  
23                   *paragraph.*

1           “(C) *INFORMATION.*—A request under sub-  
2           paragraph (A) shall be in writing and accom-  
3           panied by—

4                   “(i) a certification by the officer mak-  
5                   ing the request that the officer has reviewed  
6                   the relevant material in the employee’s file;

7                   “(ii) an explanation of why the officer  
8                   has determined, based on the materials in  
9                   the file and other information known to the  
10                  officer, that requiring a physical examina-  
11                  tion of the employee under this subsection is  
12                  necessary; and

13                  “(iii) copies of the materials relating  
14                  to the employee that are relevant to the offi-  
15                  cer’s determination and request, unless the  
16                  agency or instrumentality has a reasonable  
17                  basis for not providing the materials.

18           “(D) *EXAMINATION.*—If the Secretary of  
19           Labor receives a request under this paragraph  
20           before an employee has undergone an initial  
21           physical examination under paragraph  
22           (4)(B)(i), the Secretary shall promptly require  
23           the physical examination of the employee. A  
24           physical examination under this subparagraph  
25           shall satisfy the requirement under paragraph

1           (4)(B)(i) that an initial physical examination be  
2           conducted.

3           “(E) AFTER INITIAL EXAMINATION.—

4                   “(i) IN GENERAL.—If the Secretary of  
5           Labor receives a request under this para-  
6           graph after an employee has undergone an  
7           initial physical examination under para-  
8           graph (4)(B)(i), the Secretary shall—

9                           “(I) review the request and the in-  
10                           formation, explanation, and other ma-  
11                           terials submitted with the request; and

12                                   “(II) determine whether to require  
13                           the physical examination of the em-  
14                           ployee who is the subject of the request.

15                           “(ii) NOT GRANTED.—If the Secretary  
16                           determines not to grant a request described  
17                           in clause (i), the Secretary shall promptly  
18                           notify the officer who made the request and  
19                           provide an explanation of the reasons why  
20                           the request was denied.”.

21 **SEC. 508. WAITING PERIOD.**

22           (a) IN GENERAL.—Section 8117 is amended—

23                   (1) in the section heading, by striking “**Time**  
24                   **of accrual of right**” and inserting “**Waiting**  
25                   **period**”;

1           (2) *in subsection (a)—*

2                   (A) *in the matter preceding paragraph (1),*  
3 *by striking “An employee” and all that follows*  
4 *through “is not entitled” and inserting “IN GEN-*  
5 *ERAL.—An employee is not entitled to continu-*  
6 *ation of pay within the meaning of section 8118*  
7 *for the first 3 days of temporary disability or, if*  
8 *section 8118 does not apply, is not entitled”;*

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 (b)(1), by striking “section*  
4           *8117(b)” and inserting “section 8117”;*

5           (3) *by striking subsection (c); and*

6           (4) *by redesignating subsection (d) as subsection*  
7           *(c).*

8           (c) *TECHNICAL AND CONFORMING AMENDMENTS.—The*  
9           *table of sections for chapter 81 is amended by striking the*  
10           *items relating to sections 8117 and 8118 and inserting the*  
11           *following:*

          “8117. *Waiting period.*

          “8118. *Continuation of pay.*”.

12       **SEC. 509. ELECTION OF BENEFITS.**

13           (a) *IN GENERAL.—Section 8116 is amended by adding*  
14           *at the end the following:*

15           “(e) *RETIREMENT BENEFITS.—*

16                   “(1) *IN GENERAL.—An individual entitled to*  
17                   *compensation benefits payable under this subchapter*  
18                   *and under chapter 83 or 84 or any other retirement*  
19                   *system for employees of the Government, for the same*  
20                   *period, shall elect which benefits the individual will*  
21                   *receive.*

22                   “(2) *ELECTION.—*

23                           “(A) *DEADLINE.—An individual shall make*  
24                           *an election under paragraph (1) in accordance*



1           *with such deadlines as the Secretary of Labor*  
2           *shall establish, which shall be a reasonable period*  
3           *after the individual has received notice of a final*  
4           *determination that the individual is entitled to*  
5           *compensation benefits payable under this sub-*  
6           *chapter.*

7           “(B) *REVOCABILITY.*—*An election under*  
8           *paragraph (1) shall be revocable, notwith-*  
9           *standing any other provision of law, except for*  
10          *any period during which an individual—*

11                 *“(i) was qualified for benefits payable*  
12                 *under both this subchapter and under a re-*  
13                 *irement system described in paragraph (1);*  
14                 *and*

15                 *“(ii) was paid benefits under the re-*  
16                 *irement system after having been notified*  
17                 *of eligibility for benefits under this sub-*  
18                 *chapter.*

19          “(3) *INFORMED CHOICE.*—*The Secretary of*  
20          *Labor shall provide information, and shall ensure*  
21          *that information is provided, to an individual de-*  
22          *scribed in paragraph (1) about the benefits available*  
23          *to the individual under this subchapter or under*  
24          *chapter 83 or 84 or any other retirement system re-*



1 **SEC. 511. SUBROGATION OF CONTINUATION OF PAY.**

2 (a) *IN GENERAL.*—Section 8131 is amended—

3 (1) *in subsection (a), in the matter preceding*  
4 *paragraph (1), by inserting “continuation of pay or”*  
5 *before “compensation”;*

6 (2) *in subsection (b), by inserting “continuation*  
7 *of pay or” before “compensation”; and*

8 (3) *in subsection (c)—*

9 (A) *by inserting “continuation of pay or”*  
10 *before “compensation already paid”; and*

11 (B) *by inserting “continuation of pay or”*  
12 *before “compensation payable”.*

13 (b) *ADJUSTMENT AFTER RECOVERY FROM A THIRD*  
14 *PERSON.*—Section 8132 is amended—

15 (1) *in the first sentence—*

16 (A) *by inserting “continuation of pay or”*  
17 *before “compensation is payable”;*

18 (B) *by inserting “continuation of pay or”*  
19 *before “compensation from the United States”;*

20 (C) *by striking “by him or in his behalf”*  
21 *and inserting “by the beneficiary or on behalf of*  
22 *the beneficiary”;*

23 (D) *by inserting “continuation of pay and”*  
24 *before “compensation paid by the United*  
25 *States”; and*

1           (E) by striking “compensation payable to  
2           him” and inserting “continuation of pay or  
3           compensation payable to the beneficiary”;

4           (2) in the second sentence, by striking “his des-  
5           ignee” and inserting “the designee of the beneficiary”;  
6           and

7           (3) in the fourth sentence, by striking “If com-  
8           pensation” and all that follows through “payable to  
9           him by the United States” and inserting “If continu-  
10          ation of pay or compensation has not been paid to the  
11          beneficiary, the money or property shall be credited  
12          against continuation of pay or compensation payable  
13          to the beneficiary by the United States”.

14          (c) *EFFECTIVE DATE.*—This section and the amend-  
15          ments made by this section shall take effect on the date of  
16          enactment of this Act.

17          **SEC. 512. INTEGRITY AND COMPLIANCE.**

18          (a) *IN GENERAL.*—Subchapter I of chapter 81 is  
19          amended by adding at the end the following:

20          **“§ 8153. Integrity and Compliance Program**

21          “(a) *DEFINITIONS.*—In this section—

22                  “(1) the term ‘FECA program’ means the Fed-  
23                  eral Employees Compensation Program administered  
24                  under this subchapter;

1           “(2) the term ‘improper payment’ has the mean-  
2           ing given that term in section 2(g) of the Improper  
3           Payments Information Act of 2002 (31 U.S.C. 3321  
4           note);

5           “(3) the term ‘Inspector General’—

6           “(A) means an Inspector General described  
7           in subparagraph (A), (B), or (I) of section  
8           11(b)(1) of the Inspector General Act of 1978 (5  
9           U.S.C. App.); and

10           “(B) does not include the Inspector General  
11           of an entity having no employees covered under  
12           the FECA program;

13           “(4) the term ‘Integrity and Compliance Pro-  
14           gram’ means the Integrity and Compliance Program  
15           established under subsection (b);

16           “(5) the term ‘provider’ means a provider of  
17           medical or other services under the FECA program;

18           “(6) the term ‘Secretary’ means the Secretary of  
19           Labor; and

20           “(7) the term ‘Task Force’ means the FECA In-  
21           tegrity and Compliance Task Force established under  
22           subsection (c)(2)(A).

23           “(b) INTEGRITY AND COMPLIANCE PROGRAM.—Not  
24           later than 270 days after the date of enactment of this sec-  
25           tion, the Secretary shall establish an Integrity and Compli-

1 *ance Program for the purpose of preventing, identifying,*  
2 *and recovering fraudulent and other improper payments for*  
3 *the FECA program, which shall include—*

4           “(1) *procedures for identifying potentially im-*  
5 *proper payments before payment is made to claim-*  
6 *ants and providers, including, where appropriate,*  
7 *predictive analytics;*

8           “(2) *reviews after payment is made to identify*  
9 *potentially improper payments to claimants and pro-*  
10 *viders;*

11           “(3) *ongoing screening and verification proce-*  
12 *dures to ensure the continued eligibility of medical*  
13 *providers to provide services under the FECA pro-*  
14 *gram, including licensure, Federal disbarment, and*  
15 *the existence of relevant criminal convictions;*

16           “(4) *provision of appropriate information, edu-*  
17 *cation, and training to claimants and providers on*  
18 *requirements to ensure the integrity of the FECA pro-*  
19 *gram, including payments under the FECA program;*

20           “(5) *appropriate controls and audits to ensure*  
21 *that providers adopt internal controls and procedures*  
22 *for compliance with requirements under the FECA*  
23 *program;*

24           “(6) *procedures to ensure—*

1           “(A) *initial and continuing eligibility of*  
2           *claimants for compensation, benefits, or services*  
3           *under the FECA program; and*

4           “(B) *ongoing verification of information in*  
5           *databases relating to claimants to ensure accu-*  
6           *racy and completeness; and*

7           “(7) *sharing and accessing data and information*  
8           *with other agencies and instrumentalities of the*  
9           *United States, including the United States Postal*  
10          *Service.*

11          “(c) *INTERAGENCY COOPERATION ON ANTI-FRAUD EF-*  
12          *FORTS.—*

13                 “(1) *IN GENERAL.—In administering the FECA*  
14                 *program, including the Integrity and Compliance*  
15                 *Program, the Secretary shall cooperate with other*  
16                 *agencies and instrumentalities of the United States*  
17                 *(including the United States Postal Service) and the*  
18                 *Inspectors General of such agencies and instrumenta-*  
19                 *lities to prevent, identify, and recover fraudulent and*  
20                 *other improper payments under the FECA program.*

21                 “(2) *TASK FORCE.—*

22                         “(A) *IN GENERAL.—There is established a*  
23                         *task force, which shall be known as the FECA*  
24                         *Integrity and Compliance Task Force.*

1           “(B) *MEMBERSHIP.*—*The members of the*  
2           *Task Force shall be—*

3                   “(i) *the Secretary, who shall serve as*  
4                   *the Chairperson of the Task Force;*

5                   “(ii) *the Postmaster General, who shall*  
6                   *serve as the Vice Chairperson of the Task*  
7                   *Force;*

8                   “(iii) *the Attorney General;*

9                   “(iv) *the Director of the Office of Man-*  
10                   *agement and Budget; and*

11                   “(v) *other appropriate Federal offi-*  
12                   *cial, as determined by the Chairperson and*  
13                   *Vice Chairperson of the Task Force.*

14           “(C) *ADVISORY MEMBERS.*—*The following*  
15           *officials shall attend meetings of the Task Force*  
16           *and participate as ad hoc, advisory members, to*  
17           *provide technical assistance and guidance to the*  
18           *Task Force with respect to the duties of the Task*  
19           *Force:*

20                   “(i) *The Inspector General of the De-*  
21                   *partment of Labor.*

22                   “(ii) *The Inspector General of the*  
23                   *United States Postal Service.*

24                   “(iii) *The Inspectors General of other*  
25                   *appropriate agencies and instrumentalities*



1           *of the United States that employ a signifi-*  
2           *cant number of individuals receiving com-*  
3           *ensation, benefits, or services under the*  
4           *FECA program, as determined by the*  
5           *Chairperson of the Task Force.*

6           “(D) DUTIES.—*The Task Force shall—*

7                   “(i) *set forth, in writing, a description*  
8                   *of the respective roles and responsibilities in*  
9                   *preventing, identifying, recovering, and*  
10                   *prosecuting fraud under, and otherwise en-*  
11                   *suring integrity and compliance of, the*  
12                   *FECA program of—*

13                           “(I) *the Secretary (including sub-*  
14                           *ordinate officials such as the Director*  
15                           *of the Office of Workers’ Compensation*  
16                           *Programs);*

17                           “(II) *the Inspector General of the*  
18                           *Department of Labor;*

19                           “(III) *the Inspectors General of*  
20                           *agencies and instrumentalities of the*  
21                           *United States that employ claimants*  
22                           *under the FECA program;*

23                           “(IV) *the Attorney General; and*

24                           “(V) *any other relevant officials;*

1           “(ii) develop procedures for sharing in-  
2           formation of possible fraud under the FECA  
3           program or other intentional misstatements  
4           by claimants or providers under the FECA  
5           program, including procedures addressing—

6                   “(I) notification of appropriate  
7                   officials of the Department of Labor of  
8                   potential fraud or other intentional  
9                   misstatements, including provision of  
10                  supporting information;

11                  “(II) timely and appropriate re-  
12                  sponse by officials of the Department of  
13                  Labor to notifications described in sub-  
14                  clause (I);

15                  “(III) the inclusion of informa-  
16                  tion and evidence relating to fraud and  
17                  other intentional misstatements in  
18                  criminal, civil, and administrative  
19                  proceedings relating to the provision of  
20                  compensation, benefits, or medical  
21                  services (including payments to pro-  
22                  viders) under the FECA program;

23                  “(IV) the coordination of criminal  
24                  investigations with the administration  
25                  of the FECA program; and

1                   “(V) the protection of information  
2                   relating to an investigation of possible  
3                   fraud under the FECA program from  
4                   potential disclosure, including require-  
5                   ments that enable investigative files to  
6                   be appropriately separated from case  
7                   management files; and

8                   “(iii) not later than 1 year after the  
9                   date of enactment of this section, submit to  
10                  the Committee on Homeland Security and  
11                  Governmental Affairs of the Senate and the  
12                  Committee on Oversight and Government  
13                  Reform and the Committee on Education  
14                  and the Workforce of the House of Rep-  
15                  resentatives a report that includes the de-  
16                  scription and procedures required under  
17                  clauses (i) and (ii).

18                  “(3) *RULE OF CONSTRUCTION.*—Nothing in this  
19                  subsection shall be construed to limit or restrict any  
20                  authority of an Inspector General.

21                  “(d) *IMPROVEMENTS TO ACCESS OF FEDERAL DATA-*  
22 *BASES.*—

23                  “(1) *IN GENERAL.*—In order to improve compli-  
24                  ance with the requirements under and the integrity of  
25                  the FECA program, or as required to otherwise detect

1 *and prevent improper payments under the FECA*  
2 *program (including for purposes of computer match-*  
3 *ing under subsection (e)(1)(D)), upon written re-*  
4 *quest—*

5 *“(A) the Commissioner of Social Security*  
6 *shall make available to the Secretary, the Post-*  
7 *master General, and each Inspector General the*  
8 *Social Security earnings information of a living*  
9 *or deceased employee;*

10 *“(B) the Director of the Office of Personnel*  
11 *Management shall make available to the Sec-*  
12 *retary, the Postmaster General, and each Inspec-*  
13 *tor General the information in the databases of*  
14 *Federal employees and retirees maintained by*  
15 *the Director; and*

16 *“(C) the Secretary of Veterans Affairs shall*  
17 *make available to the Secretary, the Postmaster*  
18 *General, and each Inspector General the infor-*  
19 *mation in the database of disabled individuals*  
20 *maintained by the Secretary of Veterans Affairs.*

21 *“(2) NATIONAL DIRECTORY OF NEW HIRES.—*

22 *Upon written request, the Secretary of Health and*  
23 *Human Services shall make available to the Sec-*  
24 *retary, the Postmaster General, each Inspector Gen-*  
25 *eral, and the Comptroller General of the United*

1       *States the information in the National Directory of*  
2       *New Hires for purposes of carrying out this sub-*  
3       *chapter, in order to improve compliance with the re-*  
4       *quirements under and the integrity of the FECA pro-*  
5       *gram, or as required to otherwise detect and prevent*  
6       *improper payments under the FECA program (in-*  
7       *cluding for purposes of computer matching under sub-*  
8       *section (e)(1)(D)). The Comptroller General may ob-*  
9       *tain information from the National Directory of New*  
10       *Hires for purposes of any audit, evaluation, or inves-*  
11       *tigation, including any audit, evaluation, or inves-*  
12       *tigation relating to program integrity.*

13               “(3) *PROCEDURES.*—*The Secretary shall estab-*  
14       *lish procedures for correlating the identity and status*  
15       *of recipients of compensation, benefits, or services*  
16       *under this subchapter with Social Security earnings*  
17       *information described in paragraph (1)(A).*

18               “(4) *PROVISION.*—*Information requested under*  
19       *this subsection shall be provided—*

20                       “(A) *in a timely manner;*

21                       “(B) *at a reasonable cost to the Secretary,*  
22       *the Postmaster General, or an Inspector General;*

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 re-*  
3           *quest, 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 the*  
9           *identity and status of recipients of compensa-*  
10           *tion, benefits, or services under this subchapter*  
11           *with information relating to employees, retirees,*  
12           *and individuals described in subparagraphs (B)*  
13           *and (C) of paragraph (1) and paragraph (2).*

14           “(B) *REPORT.—Not later than 1 year after*  
15           *the date of enactment of this section, the Sec-*  
16           *retary shall submit to the Committee on Home-*  
17           *land Security and Governmental Affairs of the*  
18           *Senate and the Committee on Oversight and*  
19           *Government Reform and the Committee on Edu-*  
20           *cation and the Workforce of the House of Rep-*  
21           *resentatives a report on the cost-effectiveness of*  
22           *the use of the databases described in subpara-*  
23           *graphs (B) and (C) of paragraph (1) and para-*  
24           *graph (2) for program compliance and integrity.*  
25           *The report required under this subparagraph*

1           *may be included as part of the report required*  
2           *under subsection (f).*

3           “(6) *UNITED STATES POSTAL SERVICE FECA EN-*  
4           *ROLLEE DATABASE.—Not later than 180 days after*  
5           *the date of enactment of this section, in order to*  
6           *track, verify, and communicate with the Secretary*  
7           *and other relevant entities, the Postmaster General*  
8           *shall establish an electronic database of information*  
9           *relating to employees of the United States Postal*  
10           *Service who have applied for or are receiving com-*  
11           *penetration, benefits, or services under this subchapter.*

12           “(7) *RULE OF CONSTRUCTION.—Nothing in this*  
13           *subsection shall be construed to limit the authority of*  
14           *the Comptroller General of the United States under*  
15           *section 716 of title 31.*

16           “(e) *GENERAL PROTOCOLS AND SECURITY.—*

17           “(1) *ESTABLISHMENT.—*

18           “(A) *IN GENERAL.—In order to ensure*  
19           *strong information security and privacy stand-*  
20           *ards, the Task Force shall establish protocols for*  
21           *the secure transfer and storage of any informa-*  
22           *tion provided to an individual or entity under*  
23           *this section.*

24           “(B) *CONSIDERATIONS.—In establishing*  
25           *protocols under subparagraph (A), the Task*

1           *Force shall consider any recommendations sub-*  
2           *mitted to the Secretary by the Inspector General*  
3           *of the Department of Health and Human Serv-*  
4           *ices with respect to the secure transfer and stor-*  
5           *age of information, and to comply with privacy*  
6           *laws and best practices.*

7           “(C) *FRAUD CASE PROTECTION.—The Task*  
8           *Force shall establish protocols and procedures to*  
9           *enable information and materials relating to an*  
10           *active investigation of possible fraud relating to*  
11           *the FECA program to be appropriately kept sep-*  
12           *arate from the files for employees relating to the*  
13           *provision of compensation, benefits, or services*  
14           *under the FECA program.*

15           “(D) *COMPUTER MATCHING BY FEDERAL*  
16           *AGENCIES FOR PURPOSES OF INVESTIGATION*  
17           *AND PREVENTION OF IMPROPER PAYMENTS AND*  
18           *FRAUD.—*

19           “(i) *IN GENERAL.—Except as provided*  
20           *in this subparagraph, in accordance with*  
21           *section 552a (commonly known as the Pri-*  
22           *vacancy Act of 1974), the Secretary, the Post-*  
23           *master General, each Inspector General, and*  
24           *the head of each agency may enter into*  
25           *computer matching agreements that allow*



1            *ongoing data matching (which shall include*  
2            *automated data matching) in order to assist*  
3            *in the detection and prevention of improper*  
4            *payments under the FECA program.*

5            *“(ii) REVIEW.—Not later than 60 days*  
6            *after a proposal for an agreement under*  
7            *clause (i) has been presented to a Data In-*  
8            *tegrity Board established under section*  
9            *552a(u) for consideration, the Data Integ-*  
10           *egrity Board shall approve or deny the agree-*  
11           *ment.*

12           *“(iii) TERMINATION DATE.—An agree-*  
13           *ment under clause (i)—*

14                    *“(I) shall have a termination date*  
15                    *of less than 3 years; and*

16                    *“(II) during the 3-month period*  
17                    *ending on the date on which the agree-*  
18                    *ment is scheduled to terminate, may be*  
19                    *renewed by the agencies entering the*  
20                    *agreement for not more than 3 years.*

21            *“(iv) MULTIPLE AGENCIES.—For pur-*  
22            *poses of this subparagraph, section*  
23            *552a(o)(1) shall be applied by substituting*  
24            *between the source agency and the recipient*  
25            *agency or non-Federal agency or an agree-*

1            *ment governing multiple agencies’ for ‘be-*  
2            *tween the source agency and the recipient*  
3            *agency or non-Federal agency’ in the matter*  
4            *preceding subparagraph (A).*

5            “(v) *COST-BENEFIT ANALYSIS.—An*  
6            *agreement under clause (i) may be entered*  
7            *without regard to section 552a(o)(1)(B), re-*  
8            *lating to a cost-benefit analysis of the pro-*  
9            *posed matching program.*

10           “(vi) *GUIDANCE BY THE OFFICE OF*  
11           *MANAGEMENT AND BUDGET.—Not later than*  
12           *6 months after the date of enactment of the*  
13           *Workers’ Compensation Reform Act of 2014,*  
14           *and in consultation with the Council of In-*  
15           *spectors General on Integrity and Effi-*  
16           *ciency, the Secretary of Health and Human*  
17           *Services, the Commissioner of Social Secu-*  
18           *rity, and the head of any other relevant*  
19           *agency, the Director of the Office of Man-*  
20           *agement and Budget shall—*

21           “(I) *issue guidance for agencies*  
22           *regarding implementing this subpara-*  
23           *graph, which shall include standards*  
24           *for reimbursement costs, when nec-*  
25           *essary, between agencies; and*

1                   “(II) *establish standards and de-*  
2                   *velop standard matching agreements*  
3                   *for the purpose of improving the proc-*  
4                   *ess for establishing data use or com-*  
5                   *puter matching agreements.*

6                   “(2) *COMPLIANCE.—The Secretary, the Post-*  
7                   *master General, and each Inspector General shall en-*  
8                   *sure that any information provided to an individual*  
9                   *or entity under this section is provided in accordance*  
10                  *with protocols established under paragraph (1).*

11                  “(3) *RULE OF CONSTRUCTION.—Nothing in this*  
12                  *section shall be construed to affect the rights of an in-*  
13                  *dividual under section 552a(p).*

14                  “(f) *REPORT.—Not later than 1 year after the date of*  
15                  *enactment of this section, and annually thereafter for 5*  
16                  *years, the Secretary shall submit a report on the activities*  
17                  *of the Secretary under this section, including implementa-*  
18                  *tion of the Integrity and Compliance Program, to—*

19                         “(1) *the Committee on Homeland Security and*  
20                         *Governmental Affairs of the Senate; and*

21                         “(2) *the Committee on Oversight and Govern-*  
22                         *ment Reform and the Committee on Education and*  
23                         *the Workforce of the House of Representatives.*

24                  “(g) *GAO REVIEW.—The Comptroller General of the*  
25                  *United States shall—*

1           “(1) conduct periodic reviews of the Integrity  
2           and Compliance Program; and

3           “(2) submit reports on the results of the reviews  
4           under paragraph (1) to the Committee on Homeland  
5           Security and Governmental Affairs of the Senate and  
6           the Committee on Oversight and Government Reform  
7           and the Committee on Education and the Workforce  
8           of the House of Representatives not later than—

9                   “(A) 2 years after the date of enactment of  
10                   this section; and

11                   “(B) 3 years after submission of the report  
12                   under subparagraph (A).”.

13           (b) **TECHNICAL AND CONFORMING AMENDMENT.**—The  
14           table of sections for chapter 81 is amended by inserting after  
15           the item relating to section 8152 the following:

          “8153. Integrity and Compliance Program.”.

16           (c) **EFFECTIVE DATE.**—This section and the amend-  
17           ments made by this section shall take effect on the date of  
18           enactment of this Act.

19           **SEC. 513. AMOUNT OF COMPENSATION.**

20           (a) **INJURIES TO FACE, HEAD, AND NECK.**—Section  
21           8107(c)(21) is amended—

22                   (1) by striking “not to exceed \$3,500” and in-  
23                   serting “in proportion to the severity of the disfigure-  
24                   ment, not to exceed \$50,000,”; and

1           (2) *by adding at the end the following: “The*  
2 *maximum amount of compensation under this para-*  
3 *graph shall be increased on March 1 of each year by*  
4 *the amount determined by the Secretary of Labor to*  
5 *represent the percent change in the price index pub-*  
6 *lished for December of the preceding year over the*  
7 *price index published for the December of the year*  
8 *prior to the preceding year, adjusted to the nearest*  
9 *one-tenth of 1 percent.”.*

10       (b) *FUNERAL EXPENSES.*—*Section 8134(a) is amend-*  
11 *ed—*

12           (1) *by striking “\$800” and inserting “\$6,000”;*  
13 *and*

14           (2) *by adding at the end the following: “The*  
15 *maximum amount of compensation under this sub-*  
16 *section shall be increased on March 1 of each year by*  
17 *the amount determined by the Secretary of Labor to*  
18 *represent the percent change in the price index pub-*  
19 *lished for December of the preceding year over the*  
20 *price index published for the December of the year*  
21 *prior to the preceding year, adjusted to the nearest*  
22 *one-tenth of 1 percent.”.*

23       (c) *APPLICATION.*—*The amendments made by this sec-*  
24 *tion shall apply to injuries or deaths, respectively, occur-*  
25 *ring on or after the date of enactment of this Act.*

1 **SEC. 514. TERRORISM INJURIES; ZONES OF ARMED CON-**  
 2 **FLICT.**

3 (a) *COVERING TERRORISM INJURIES.*—Section  
 4 8102(b) is amended in the matter preceding paragraph  
 5 (1)—

6 (1) by inserting “or from an attack by a ter-  
 7 rorist or terrorist organization, either known or un-  
 8 known,” after “force or individual,”; and

9 (2) by striking “outside” and all that follows  
 10 through “1979)” and inserting “outside of the United  
 11 States”.

12 (b) *CONTINUATION OF PAY IN A ZONE OF ARMED CON-*  
 13 *FLICT.*—Section 8118, as amended by section 508(b) of this  
 14 Act, is amended—

15 (1) in subsection (b), by striking “Continuation”  
 16 and inserting “Except as provided under subsection  
 17 (d)(2), continuation”;

18 (2) in subsection (c), as redesignated by section  
 19 508(b)(4) of this Act, by striking “subsection (a)” and  
 20 inserting “subsection (a) or (d)”;

21 (3) inserting before subsection (e) the following:  
 22 “(d) *CONTINUATION OF PAY IN A ZONE OF ARMED*  
 23 *CONFLICT.*—

24 “(1) *IN GENERAL.*—Notwithstanding subsection  
 25 (a), the United States shall authorize the continuation

1 of pay of an employee described in subparagraph (A),  
2 (C), (D), or (F) of section 8101(1), who—

3 “(A) files a claim for a period of wage loss  
4 due to an injury in performance of duty in a  
5 zone of armed conflict (as determined by the Sec-  
6 retary of Labor under paragraph (3)); and

7 “(B) files the claim for such wage loss ben-  
8 efit with the immediate superior of the employee  
9 not later than 45 days after the later of—

10 “(i) the termination of the assignment  
11 of the employee to the zone of armed con-  
12 flict; or

13 “(ii) the return of the employee to the  
14 United States.

15 “(2) CONTINUATION OF PAY.—Notwithstanding  
16 subsection (b), continuation of pay under this sub-  
17 section shall be furnished for a period not to exceed  
18 135 days without any break in time or waiting pe-  
19 riod, unless controverted under regulations prescribed  
20 by the Secretary of Labor.

21 “(3) DETERMINATION OF ZONES OF ARMED CON-  
22 FLICT.—For purposes of this subsection, the Secretary  
23 of Labor, in consultation with the Secretary of State  
24 and the Secretary of Defense, shall determine whether  
25 a foreign country or other foreign geographic area

1 *outside of the United States (as defined in section*  
2 *202(a)(7) of the State Department Basic Authorities*  
3 *Act of 1956 (22 U.S.C. 4302(a)(7)) is a zone of armed*  
4 *conflict based on whether—*

5 *“(A) the Armed Forces of the United States*  
6 *are involved in hostilities in the country or area;*

7 *“(B) the incidence of civil insurrection,*  
8 *civil war, terrorism, or wartime conditions*  
9 *threatens physical harm or imminent danger to*  
10 *the health or well-being of United States civilian*  
11 *employees in the country or area;*

12 *“(C) the country or area has been des-*  
13 *ignated a combat zone by the President under*  
14 *section 112(c) of the Internal Revenue Code of*  
15 *1986;*

16 *“(D) a contingency operation involving*  
17 *combat operations directly affects civilian em-*  
18 *ployees in the country or area; or*

19 *“(E) there exist other relevant conditions*  
20 *and factors.”.*

21 **SEC. 515. TECHNICAL AND CONFORMING AMENDMENTS.**

22 *Chapter 81 is amended—*

23 *(1) in section 8101(1)(D), by inserting “for an*  
24 *injury that occurred before the effective date of section*  
25 *204(e) of the District of Columbia Self-Government*



1       *and Governmental Reorganization Act (Public Law*  
2       *93–198; 87 Stat. 783; 5 U.S.C. 8101 note)” before the*  
3       *semicolon;*

4             (2) *in section 8139, by inserting “under this sub-*  
5       *chapter” after “Compensation awarded”; and*

6             (3) *in section 8148(a), by striking “section*  
7       *8106” and inserting “section 8106a”.*

8       **SEC. 516. REGULATIONS.**

9             (a) *IN GENERAL.*—*As soon as possible after the date*  
10       *of enactment of this Act, the Secretary of Labor shall pro-*  
11       *mulgate regulations (which may include interim final regu-*  
12       *lations) to carry out this title.*

13            (b) *CONTENTS.*—*The regulations promulgated under*  
14       *subsection (a) shall include, for purposes of the amendments*  
15       *made by sections 502 and 503, clarification of—*

16               (1) *what is a claim; and*

17               (2) *what is the date on which a period of dis-*  
18       *ability, for which a claim is made, commences.*

19       **SEC. 517. EFFECTIVE DATE.**

20             *Except as otherwise provided in this title, this title and*  
21       *the amendments made by this title shall take effect 60 days*  
22       *after the date of enactment of this Act.*

1 **TITLE VI—PROPERTY MANAGE-**  
2 **MENT AND EXPEDITED DIS-**  
3 **POSAL OF REAL PROPERTY**

4 **SEC. 601. SHORT TITLE.**

5 *This title may be cited as the “Federal Real Property*  
6 *Asset Management Reform Act of 2014”.*

7 **SEC. 602. PURPOSE.**

8 *The purpose of this title is to increase the efficiency*  
9 *and effectiveness of the Federal Government in managing*  
10 *real property by—*

11 *(1) requiring agencies to maintain an up-to-date*  
12 *inventory of real property;*

13 *(2) establishing a Federal Real Property Council*  
14 *to develop guidance on and ensure the implementa-*  
15 *tion of strategies for better managing Federal real*  
16 *property; and*

17 *(3) authorizing a pilot program to expedite the*  
18 *disposal of surplus real property.*

19 **SEC. 603. PROPERTY MANAGEMENT AND EXPEDITED DIS-**  
20 **POSAL OF REAL PROPERTY.**

21 *Chapter 5 of subtitle I of title 40, United States Code,*  
22 *is amended by adding at the end the following:*

1     “SUBCHAPTER VII—PROPERTY MANAGEMENT  
2     AND EXPEDITED DISPOSAL OF REAL PROPERTY

3     “§ 621. *Definitions*

4         *“In this subchapter:*

5             “(1) *ADMINISTRATOR.*—*The term ‘Adminis-*  
6             *trator’ means the Administrator of General Services.*

7             “(2) *COUNCIL.*—*The term ‘Council’ means the*  
8             *Federal Real Property Council established by section*  
9             *624(a).*

10            “(3) *DIRECTOR.*—*The term ‘Director’ means the*  
11            *Director of the Office of Management and Budget.*

12            “(4) *DISPOSAL.*—*The term ‘disposal’ means any*  
13            *action that constitutes the removal of any real prop-*  
14            *erty from the Federal inventory, including sale, deed,*  
15            *demolition, or exchange.*

16            “(5) *EXCESS PROPERTY.*—*The term ‘excess prop-*  
17            *erty’ means any real property under the control of a*  
18            *Federal agency that the head of the Federal agency*  
19            *determines is not required to meet the needs or re-*  
20            *sponsibilities of the Federal agency.*

21            “(6) *FEDERAL AGENCY.*—*The term ‘Federal*  
22            *agency’ means—*

23                 “(A) *an executive department or inde-*  
24                 *pendent establishment in the executive branch of*  
25                 *the Government; or*

1           “(B) a wholly owned Government corpora-  
2           tion.

3           “(7) *FIELD OFFICE*.—The term ‘field office’  
4           means any office of a Federal agency that is not the  
5           headquarters office location for the Federal agency.

6           “(8) *POSTAL PROPERTY*.—The term ‘postal prop-  
7           erty’ means any building owned by the United States  
8           Postal Service.

9           “(9) *SURPLUS PROPERTY*.—

10           “(A) *IN GENERAL*.—The term ‘surplus  
11           property’ means excess real property that is not  
12           required to meet the needs or responsibilities of  
13           any Federal agency.

14           “(B) *EXCLUSIONS*.—The term ‘surplus  
15           property’ does not include—

16           “(i) any military installation (as de-  
17           fined in section 2910 of the Defense Base  
18           Closure and Realignment Act of 1990 (10  
19           U.S.C. 2687 note; Public Law 101–510));

20           “(ii) any property that is excepted  
21           from the definition of the term ‘property’  
22           under section 102;

23           “(iii) Indian and native Eskimo prop-  
24           erty held in trust by the Federal Govern-

1           *ment as described in section*  
2           *3301(a)(5)(C)(iii);*

3           *“(iv) real property operated and main-*  
4           *tained by the Tennessee Valley Authority*  
5           *pursuant to the Tennessee Valley Authority*  
6           *Act of 1933 (16 U.S.C. 831 et seq.);*

7           *“(v) any real property the Director ex-*  
8           *cludes for reasons of national security;*

9           *“(vi) any public lands (as defined in*  
10           *section 203 of the Public Lands Corps Act*  
11           *of 1993 (16 U.S.C. 1722)) administered*  
12           *by—*

13                   *“(I) the Secretary of the Interior,*  
14                   *acting through—*

15                           *“(aa) the Director of the Bu-*  
16                           *reau of Land Management;*

17                           *“(bb) the Director of the Na-*  
18                           *tional Park Service;*

19                           *“(cc) the Commissioner of*  
20                           *Reclamation; or*

21                           *“(dd) the Director of the*  
22                           *United States Fish and Wildlife*  
23                           *Service; or*

1                   “(II) the Secretary of Agriculture,  
2                   acting through the Chief of the Forest  
3                   Service; or

4                   “(vii) any property operated and  
5                   maintained by the United States Postal  
6                   Service.

7                   “(10) *UNDERUTILIZED PROPERTY*.—The term  
8                   ‘underutilized property’ means a portion or the en-  
9                   tirety of any real property, including any improve-  
10                  ments, that is used—

11                  “(A) irregularly or intermittently by the ac-  
12                  countable Federal agency for program purposes  
13                  of the Federal agency; or

14                  “(B) for program purposes that can be sat-  
15                  isfied with only a portion of the property.

16   **“§ 622. Duties of Federal agencies**

17                  “Each Federal agency shall—

18                  “(1) maintain adequate inventory controls and  
19                  accountability systems for real property under the  
20                  control of the Federal agency;

21                  “(2) develop current and future workforce projec-  
22                  tions so as to have the capacity to assess the needs of  
23                  the Federal workforce regarding the use of real prop-  
24                  erty;

1           “(3) continuously survey real property under the  
2 control of the Federal agency to identify excess prop-  
3 erty, underutilized property, and other real property  
4 suitable to be used for—

5                   “(A) colocation with other Federal agencies;

6           or

7                   “(B) consolidation with other facilities;

8           “(4) promptly report excess property and under-  
9  utilized property to the Administrator;

10           “(5) establish goals that will lead the Federal  
11 agency to reduce excess property and underutilized  
12 property in the inventory of the Federal agency;

13           “(6) submit to the Council a report on all excess  
14 property and underutilized property in the inventory  
15 of the Federal agency, including—

16                   “(A) whether underutilized property can be  
17 better utilized; and

18                   “(B) the extent to which the Federal agency  
19 believes that the underutilized property serves the  
20 needs of the Federal agency to retain underuti-  
21 lized property;

22           “(7) adopt workplace practices, configurations,  
23 and management techniques that can achieve in-  
24 creased levels of productivity and decrease the need  
25 for real property assets;

1           “(8) assess leased space to identify space that is  
2           not fully used or occupied;

3           “(9) on an annual basis and subject to the guid-  
4           ance of the Council—

5                   “(A) conduct an inventory of real property  
6                   under control of the Federal agency; and

7                   “(B) make an assessment of each real prop-  
8                   erty, which shall include—

9                           “(i) the age and condition of the prop-  
10                           erty;

11                           “(ii) the size of the property in square  
12                           footage and acreage;

13                           “(iii) the geographical location of the  
14                           property, including an address and descrip-  
15                           tion;

16                           “(iv) the extent to which the property  
17                           is being utilized;

18                           “(v) the actual annual operating costs  
19                           associated with the property;

20                           “(vi) the total cost of capital expendi-  
21                           tures associated with the property;

22                           “(vii) sustainability metrics associated  
23                           with the property;

24                           “(viii) the number of Federal employ-  
25                           ees and functions housed at the property;



1                   “(ix) the extent to which the mission of  
2                   the Federal agency is dependent on the  
3                   property;

4                   “(x) the estimated amount of capital  
5                   expenditures projected to maintain and op-  
6                   erate the property over each of the next 5  
7                   years after the date of enactment of this  
8                   subchapter; and

9                   “(xi) any additional information re-  
10                  quired by the Administrator to carry out  
11                  section 625; and

12                  “(10) provide to the Council and the Adminis-  
13                  trator the information described in paragraph (9)(B)  
14                  to be used for the establishment and maintenance of  
15                  the database described in section 625.

16   **“§ 623. Colocation among United States Postal Service**  
17                   **properties**

18                  “(a) IDENTIFICATION OF POSTAL PROPERTY.—Each  
19                  year, the Postmaster General may—

20                   “(1) identify a list of postal properties with  
21                   space available for use by Federal agencies; and

22                   “(2) submit the list to the Council.

23                  “(b) SUBMISSION OF LIST OF POSTAL PROPERTIES TO  
24                  FEDERAL AGENCIES.—



1           “(2) *identify opportunities for the Federal Gov-*  
2           *ernment to better manage real property assets; and*

3           “(3) *reduce the costs of managing real property,*  
4           *including operations, maintenance, and security.*

5           “(c) *COMPOSITION.—*

6           “(1) *IN GENERAL.—The Council shall be com-*  
7           *posed exclusively of—*

8           “(A) *the senior real property officers of each*  
9           *Federal agency;*

10           “(B) *the Deputy Director for Management*  
11           *of the Office of Management and Budget;*

12           “(C) *the Controller of the Office of Manage-*  
13           *ment and Budget;*

14           “(D) *the Administrator; and*

15           “(E) *any other full-time or permanent part-*  
16           *time Federal officials or employees, as the Chair-*  
17           *person determines to be necessary.*

18           “(2) *CHAIRPERSON.—The Deputy Director for*  
19           *Management of the Office of Management and Budget*  
20           *shall serve as Chairperson of the Council.*

21           “(3) *EXECUTIVE DIRECTOR.—*

22           “(A) *IN GENERAL.—The Chairperson shall*  
23           *designate an Executive Director to assist in car-*  
24           *rying out the duties of the Council.*

1                   “(B) *QUALIFICATIONS; FULL-TIME.*—*The*  
2                   *Executive Director shall—*

3                   “*(i) be appointed from among individ-*  
4                   *uals who have substantial experience in the*  
5                   *areas of commercial real estate and develop-*  
6                   *ment, real property management, and Fed-*  
7                   *eral operations and management; and*

8                   “*(ii) serve full time.*

9                   “(d) *MEETINGS.*—

10                  “(1) *IN GENERAL.*—*The Council shall meet sub-*  
11                  *ject to the call of the Chairperson.*

12                  “(2) *MINIMUM.*—*The Council shall meet not*  
13                  *fewer than 4 times each year.*

14                  “(e) *DUTIES.*—*The Council, in consultation with the*  
15                  *Director and the Administrator, shall—*

16                  “*(1) not later than 1 year after the date of enact-*  
17                  *ment of this subchapter, establish a real property*  
18                  *management plan template, to be updated annually,*  
19                  *which shall include performance measures, specific*  
20                  *milestones, measurable savings, strategies, and Gov-*  
21                  *ernment-wide goals based on the goals established*  
22                  *under section 622(5) to reduce surplus property or to*  
23                  *achieve better utilization of underutilized property,*  
24                  *and evaluation criteria to determine the effectiveness*  
25                  *of real property management that are designed to—*

1           “(A) enable Congress and heads of Federal  
2 agencies to track progress in the achievement of  
3 real property management objectives on a Gov-  
4 ernment-wide basis;

5           “(B) improve the management of real prop-  
6 erty; and

7           “(C) allow for comparison of the perform-  
8 ance of Federal agencies against industry and  
9 other public sector agencies in terms of perform-  
10 ance;

11          “(2) develop standard use rates consistent  
12 throughout each category of space and with non-  
13 governmental space use rates;

14          “(3) develop a strategy to reduce the reliance of  
15 Federal agencies on leased space for long-term needs  
16 if ownership would be less costly;

17          “(4) provide guidance on eliminating inefficien-  
18 cies in the Federal leasing process;

19          “(5) compile a list of real property assets that  
20 are field offices that are suitable for colocation with  
21 other real property assets; and

22          “(6) not later than 1 year after the date of enact-  
23 ment of this subchapter and annually during the 4-  
24 year period beginning on the date that is 1 year after  
25 the date of enactment of this subchapter and ending

1       *on the date that is 5 years after the date of enactment*  
2       *of this subchapter, the Council shall submit to the Di-*  
3       *rector a report that contains—*

4               “(A) *a list of the remaining excess, surplus,*  
5               *and underutilized properties of each Federal*  
6               *agency;*

7               “(B) *the progress of the Council toward de-*  
8               *veloping guidance for Federal agencies to ensure*  
9               *that the assessment required under section*  
10              *622(9)(B) is carried out in a uniform manner;*  
11              *and*

12              “(C) *the progress of Federal agencies toward*  
13              *achieving the goals established under section*  
14              *622(5).*

15       “(f) *CONSULTATION.—In carrying out the duties de-*  
16       *scribed in subsection (e), the Council shall also consult with*  
17       *representatives of—*

18              “(1) *State, local, tribal authorities, and affected*  
19              *communities; and*

20              “(2) *appropriate private sector entities and non-*  
21              *governmental organizations that have expertise in*  
22              *areas of—*

23                      “(A) *commercial real estate and develop-*  
24                      *ment;*

1                   “(B) government management and oper-  
2                   ations;

3                   “(C) space planning;

4                   “(D) community development, including  
5                   transportation and planning; and

6                   “(E) historic preservation.

7                   “(g) COUNCIL RESOURCES.—The Director and the Ad-  
8                   ministrators shall provide staffing, and administrative sup-  
9                   port for the Council, as appropriate.

10                   **“§ 625. Federal real property inventory and database**

11                   “(a) IN GENERAL.—Not later than 1 year after the  
12                   date of enactment of this subchapter, the Administrator  
13                   shall establish and maintain a single, comprehensive, and  
14                   descriptive database of all real property under the custody  
15                   and control of all Federal agencies.

16                   “(b) CONTENTS.—The database shall include—

17                   “(1) information provided to the Administrator  
18                   under section 622(10); and

19                   “(2) a list of real property disposals completed,  
20                   including—

21                   “(A) the date and disposal method used for  
22                   each real property;

23                   “(B) the proceeds obtained from the disposal  
24                   of each real property;

1           “(C) *the amount of time required to dispose*  
2           *of the real property, including the date on which*  
3           *the real property is designated as excess prop-*  
4           *erty;*

5           “(D) *the date on which the property is des-*  
6           *ignated as surplus property and the date on*  
7           *which the property is disposed; and*

8           “(E) *all costs associated with the disposal.*

9           “(c) *ACCESSIBILITY.—*

10           “(1) *COMMITTEES.—The database established*  
11           *under subsection (a) shall be made available on re-*  
12           *quest to the Committee on Homeland Security and*  
13           *Governmental Affairs and the Committee on Environ-*  
14           *ment and Public Works of the Senate and the Com-*  
15           *mittee on Oversight and Government Reform and the*  
16           *Committee on Transportation and Infrastructure of*  
17           *the House of Representatives.*

18           “(2) *GENERAL PUBLIC.—Not later than 3 years*  
19           *after the date of enactment of this subchapter and to*  
20           *the extent consistent with national security, the Ad-*  
21           *ministrator shall make the database established under*  
22           *subsection (a) accessible to the public at no cost*  
23           *through the website of the General Services Adminis-*  
24           *tration.*



1 **“§ 626. Limitation on certain leasing authorities**

2       “(a) *IN GENERAL.*—*Except as provided in subsection*  
 3 *(b), not later than December 31 of each year following the*  
 4 *date of enactment of this subchapter, a Federal agency with*  
 5 *independent leasing authority shall submit to the Council*  
 6 *a list of all leases, including operating leases, in effect on*  
 7 *the date of enactment of this subchapter that includes—*

8               “(1) *the date on which each lease was executed;*

9               “(2) *the date on which each lease will expire;*

10              “(3) *a description of the size of the space;*

11              “(4) *the location of the property;*

12              “(5) *the tenant agency;*

13              “(6) *the total annual rental rate; and*

14              “(7) *the amount of the net present value of the*  
 15 *total estimated legal obligations of the Federal Gov-*  
 16 *ernment over the life of the contract.*

17       “(b) *EXCEPTION.*—*Subsection (a) shall not apply to—*

18              “(1) *the United States Postal Service;*

19              “(2) *the Department of Veterans Affairs; or*

20              “(3) *any other property the President excludes*  
 21 *from subsection (a) for reasons of national security.*

22 **“§ 627. Expedited disposal pilot program**

23       “(a) *ESTABLISHMENT.*—*The Director shall establish a*  
 24 *pilot program for disposal of any surplus property by sale,*  
 25 *transfer, or other means.*

26              “(1) *PROPERTIES FOR EXPEDITED DISPOSAL.*—

1           “(A) *IN GENERAL.*—*On an annual basis,*  
2           *the Director may authorize the expedited dis-*  
3           *posal of not more than 200 surplus properties.*

4           “(B) *PRIORITY.*—*In determining which*  
5           *properties to dispose of, the Director shall give*  
6           *priority to surplus properties that have the high-*  
7           *est fair market value and the greatest potential*  
8           *for disposal.*

9           “(C) *COSTS ASSOCIATED WITH DISPOSAL.*—

10           “(i) *IN GENERAL.*—*The Administrator*  
11           *may obligate an amount to pay any direct*  
12           *and indirect costs under section 572 related*  
13           *to identifying and preparing properties to*  
14           *be reported as excess property by a Federal*  
15           *agency.*

16           “(ii) *REIMBURSEMENT.*—*An amount*  
17           *obligated under clause (i) shall be paid from*  
18           *the proceeds of any sale of real property*  
19           *under this subsection.*

20           “(iii) *NET PROCEEDS.*—*Net proceeds*  
21           *shall be distributed under subsection (b).*

22           “(D) *MAXIMUM NET PROCEEDS.*—*Any real*  
23           *property authorized for disposal by sale under*  
24           *subparagraph (A) shall be disposed of in a man-*  
25           *ner that, as determined by the Administrator in*

1           *consultation with the head of the applicable Fed-*  
2           *eral agency, is structured and marketed to maxi-*  
3           *mize the value to the Federal Government.*

4           “(E) *MONETARY PROCEEDS REQUIRE-*  
5           *MENT.—Surplus property may be disposed of*  
6           *under this section only if disposal of the prop-*  
7           *erty will generate monetary proceeds to the Fed-*  
8           *eral Government that—*

9                   “(i) *exceed the costs of disposal of the*  
10                   *property; and*

11                   “(ii) *are not less than 90 percent of*  
12                   *fair market value.*

13           “(F) *LOCAL GOVERNMENT NOTIFICATION.—*

14                   “(i) *NOTIFICATION.—Not later than 30*  
15                   *days after the date on which the Director*  
16                   *makes the authorization under subpara-*  
17                   *graph (A), the Director shall submit in*  
18                   *writing to the appropriate local government*  
19                   *unit in which the property is located a noti-*  
20                   *fication that includes a list of each applica-*  
21                   *ble property authorized to be disposed of*  
22                   *under subparagraph (A).*

23                   “(ii) *REMOVAL FROM PILOT PRO-*  
24                   *GRAM.—*

1                   “(I) *IN GENERAL.*—*The Director,*  
 2                   *at the discretion of the Director, may*  
 3                   *remove a property for which notifica-*  
 4                   *tion has been provided under clause (i)*  
 5                   *from the pilot program established*  
 6                   *under subparagraph (A).*

7                   “(II) *REPLACEMENT.*—*For each*  
 8                   *property removed from the pilot pro-*  
 9                   *gram under subclause (I), the Director*  
 10                   *may authorize the expedited disposal of*  
 11                   *1 property not originally authorized*  
 12                   *under subparagraph (A).*

13                   “(2) *APPLICABILITY OF CERTAIN LAW.*—*Any ex-*  
 14                   *pedited disposal of real property conducted under this*  
 15                   *section shall not be subject to—*

16                   “(A) *any section of An Act Authorizing the*  
 17                   *Transfer of Certain Real Property for Wildlife,*  
 18                   *or Other Purposes (16 U.S.C. 667b);*

19                   “(B) *sections 107 and 317 of title 23;*

20                   “(C) *sections 545(b)(8), 550, 553, 554, and*  
 21                   *1304(b) of this title;*

22                   “(D) *section 501 of the McKinney-Vento*  
 23                   *Homeless Assistance Act (42 U.S.C. 11411);*

24                   “(E) *section 47151 of title 49; or*

1           “(F) section 13(d) of the Surplus Property  
2           Act of 1944 (50 U.S.C. App. 1622(d)).

3           “(3) EFFECT.—Except as provided in paragraph  
4           (2), nothing in this subchapter terminates or in any  
5           way limits the authority of any Federal agency under  
6           any other provision of law to dispose of real property.

7           “(b) USE OF PROCEEDS.—

8           “(1) IN GENERAL.—Of the proceeds received from  
9           the disposal of any real property under this sub-  
10          chapter—

11           “(A) not less than 80 percent shall be re-  
12           turned to the general fund of the Treasury for  
13           debt reduction;

14           “(B) the lesser of 18 percent or the share of  
15           proceeds otherwise authorized to be retained  
16           under law shall be retained by the Federal agen-  
17           cy that has custody and is accountable for the  
18           real property, subject to paragraph (2);

19           “(C) not greater than 2 percent shall be  
20           made available to carry out section 628, subject  
21           to annual appropriations; and

22           “(D) any remaining share of the proceeds  
23           shall be returned to the general fund of the  
24           Treasury for Federal budget deficit reduction.

1           “(2) *LIMITATION ON USE OF PROCEEDS.*—*Any*  
2           *proceeds retained by Federal agencies under this sec-*  
3           *tion shall be—*

4                   “(A) *deposited into the appropriate real*  
5                   *property account of the Federal agency that had*  
6                   *custody and accountability for the real property,*  
7                   *with the funds expended only as authorized in*  
8                   *annual appropriations Acts;*

9                   “(B) *used—*

10                           “(i) *by not later than 2 years after the*  
11                           *date of disposal of the real property; and*

12                           “(ii) *only for activities relating to Fed-*  
13                           *eral real property asset management and*  
14                           *disposal; and*

15                   “(C) *if not used by the date described in*  
16                   *subparagraph (B)(i), shall be deposited in the*  
17                   *Treasury and used for Federal budget deficit re-*  
18                   *duction.*

19           “(c) *PUBLIC BENEFIT.*—

20                   “(1) *CONVEYANCE.*—*Except as provided in para-*  
21                   *graph (2), if a real property authorized to be disposed*  
22                   *of under subsection (a) has not been disposed of by the*  
23                   *date that is 2 years after the date the property is list-*  
24                   *ed for sale, the Director, in consultation with the Ad-*  
25                   *ministrator and the Secretary of Housing and Urban*

1     *Development, may consider a request from the dis-*  
 2     *posing Federal agency that the real property be con-*  
 3     *veyed to State and local governments or nonprofit or-*  
 4     *ganizations for various public purposes or uses as*  
 5     *permitted by applicable law.*

6             “(2) *PREDOMINANT USE AND SIZE STAND-*  
 7     *ARDS.—*

8             “(A) *IN GENERAL.—Any real property au-*  
 9     *thorized to be disposed of under subsection (a)*  
 10     *shall not be conveyed under paragraph (1) if—*

11             “(i) *the predominant use of the prop-*  
 12     *erty is not for housing; and*

13             “(ii)(I) *the area of the property is not*  
 14     *less than 25,000 square feet; or*

15             “(II) *the appraised fair market value*  
 16     *of the property is greater than \$1,000,000.*

17             “(B) *APPRAISED FAIR MARKET VALUE.—*  
 18     *The appraised fair market value described in*  
 19     *subparagraph (A)(ii)(II) shall be determined by*  
 20     *the Federal agency with custody or control of the*  
 21     *property, in consultation with the Administrator*  
 22     *and standard appraisal practice.*

23             “(d) *ENFORCEMENT.—*

24             “(1) *INCREASE IN SIZE OF INVENTORY.—Except*  
 25     *as provided in paragraph (2), if a Federal agency*

1       *fails to make available for public sale the real prop-*  
 2       *erty authorized for disposal under subsection (a) by*  
 3       *the date that is 18 months after the date on which the*  
 4       *authorization is made, that Federal agency, except for*  
 5       *specific exceptions promulgated by the Director, shall*  
 6       *not increase the size of the civilian real property in-*  
 7       *ventory, unless the square footage of the increase is*  
 8       *offset, within an appropriate time as determined by*  
 9       *the Director, through consolidation, colocation, or dis-*  
 10       *posal of another building space from the inventory of*  
 11       *that Federal agency.*

12               “(2) *EXCEPTION.—Paragraph (1) shall not*  
 13       *apply to a Federal agency that acquires any real*  
 14       *property not under the administrative jurisdiction of*  
 15       *the Federal Government, by sale or lease, until the*  
 16       *Director submits a certification to Congress of the dis-*  
 17       *posal of all of those surplus properties.*

18               “(e) *TERMINATION OF AUTHORITY.—The authority*  
 19       *provided by this section terminates on the date that is 5*  
 20       *years after the date of enactment of this subchapter.*

21       **“§ 628. Homeless assistance grants**

22               “(a) *DEFINITIONS.—In this section:*

23                       “(1) *ELIGIBLE NONPROFIT ORGANIZATION.—The*  
 24       *term ‘eligible nonprofit organization’ means a non-*



1       *profit organization that is a representative of the*  
2       *homeless.*

3               “(2) *HOMELESS.*—*The term ‘homeless’ has the*  
4       *meaning given the term in section 103 of the McKin-*  
5       *ney-Vento Homeless Assistance Act (42 U.S.C. 11302),*  
6       *except that subsection (c) of that section shall not*  
7       *apply.*

8               “(3) *PERMANENT HOUSING.*—*The term ‘perma-*  
9       *nent housing’ has the meaning given the term in sec-*  
10       *tion 401 of the McKinney-Vento Homeless Assistance*  
11       *Act (42 U.S.C. 11360).*

12               “(4) *PRIVATE NONPROFIT ORGANIZATION.*—*The*  
13       *term ‘private nonprofit organization’ has the mean-*  
14       *ing given the term in section 401 of the McKinney-*  
15       *Vento Homeless Assistance Act (42 U.S.C. 11360).*

16               “(5) *REPRESENTATIVE OF THE HOMELESS.*—*The*  
17       *term ‘representative of the homeless’ has the meaning*  
18       *given the term in section 501(i) of the McKinney-*  
19       *Vento Homeless Assistance Act (42 U.S.C. 11411(i)).*

20               “(6) *SECRETARY.*—*The term ‘Secretary’ means*  
21       *the Secretary of Housing and Urban Development.*

22               “(7) *TRANSITIONAL HOUSING.*—*The term ‘transi-*  
23       *tional housing’ has the meaning given the term in*  
24       *section 401 of the McKinney-Vento Homeless Assist-*  
25       *ance Act (42 U.S.C. 11360).*

1       “(b) *GRANT AUTHORITY.*—

2               “(1) *IN GENERAL.*—*To the extent amounts are*  
3       *made available under section 627(b)(1)(C) for use*  
4       *under this section, the Secretary shall make grants to*  
5       *eligible private nonprofit organizations through the*  
6       *continuum of care program established under subtitle*  
7       *C of title IV of the McKinney-Vento Homeless Assist-*  
8       *ance Act (42 U.S.C. 11381 et seq.), to purchase real*  
9       *property suitable for use to assist the homeless in ac-*  
10       *cordance with subsection (c).*

11               “(2) *TERMS AND CONDITIONS.*—*Except as other-*  
12       *wise provided in this section, a grant under this sec-*  
13       *tion shall be subject to the same terms and conditions*  
14       *as a grant under the continuum of care program es-*  
15       *tablished under subtitle C of title IV of the McKinney-*  
16       *Vento Homeless Assistance Act (42 U.S.C. 11381 et*  
17       *seq.).*

18       “(c) *USE OF PROPERTIES FOR HOUSING OR SHELTER*  
19       *FOR THE HOMELESS.*—

20               “(1) *ELIGIBLE USES.*—*An eligible private non-*  
21       *profit organization that receives a grant under sub-*  
22       *section (b) shall use the amounts received only to pur-*  
23       *chase or rehabilitate real property to provide perma-*  
24       *nent housing, transitional housing, or temporary shel-*  
25       *ter to the homeless.*

1           “(2) *TERM OF USE.*—The Secretary may not  
2           make a grant under subsection (b) to an eligible pri-  
3           vate nonprofit organization unless the eligible private  
4           nonprofit organization provides to the Secretary such  
5           assurances as the Secretary determines necessary to  
6           ensure that any real property purchased or rehabili-  
7           tated using amounts received under the grant is used  
8           only for the purposes described in paragraph (1) for  
9           a period of not less than 15 years.

10          “(d) *PREFERENCE.*—In awarding grants under sub-  
11          section (b), the Secretary shall give preference to eligible  
12          private nonprofit organizations that operate within areas  
13          in which Federal real property is being sold under the dis-  
14          posal program authorized under section 627.

15          “(e) *REGULATIONS.*—The Secretary may promulgate  
16          such regulations as are necessary to carry out this section.”.

17          **SEC. 604. REPORT OF THE COMPTROLLER GENERAL.**

18          (a) *DRAFT.*—Not later than 3 years after the date of  
19          enactment of this Act, the Comptroller General of the United  
20          States shall submit to Congress a draft report on the expe-  
21          dited disposal pilot program established by the amendments  
22          made by section 3.

23          (b) *FINAL.*—Not later than 5 years after the date of  
24          enactment of this Act, the Comptroller General of the United  
25          States shall submit to Congress a final report on the expe-

1 *dited disposal pilot program established by the amendments*  
 2 *made by section 3.*

3 **SEC. 605. TECHNICAL AND CONFORMING AMENDMENT.**

4 *The table of sections for chapter 5 of subtitle I of title*  
 5 *40, United States Code, is amended by inserting after the*  
 6 *item relating to section 611 the following:*

*“SUBCHAPTER VII—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF  
 REAL PROPERTY*

*“621. Definitions.*

*“622. Duties of Federal agencies.*

*“623. Colocation among United States Postal Service properties.*

*“624. Establishment of a Federal Real Property Council.*

*“625. Federal real property inventory and database.*

*“626. Limitation on certain leasing authorities.*

*“627. Expedited disposal pilot program.*

*“628. Homeless assistance grants.”.*



Calendar No. 523

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**S. 1486**

[Report No. 113-237]

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**A BILL**

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

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JULY 31, 2014

Reported with an amendment