

113<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 630

To recalculate and restore retirement annuity obligations of the United States Postal Service, eliminate the requirement that the United States Postal Service pre-fund the Postal Service Retiree Health Benefits Fund, place restrictions on the closure of postal facilities, create incentives for innovation for the United States Postal Service, to maintain levels of postal service, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2013

Mr. DEFAZIO introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To recalculate and restore retirement annuity obligations of the United States Postal Service, eliminate the requirement that the United States Postal Service pre-fund the Postal Service Retiree Health Benefits Fund, place restrictions on the closure of postal facilities, create incentives for innovation for the United States Postal Service, to maintain levels of postal service, and for other purposes.

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

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

2 (a) **SHORT TITLE.**—This Act may be cited as the  
3 “Postal Service Protection Act of 2013”.

4 (b) **TABLE OF CONTENTS.**—The table of contents is  
5 as follows:

Sec. 1. Short title; table of contents.

**TITLE I—RETIREMENT ANNUITY OBLIGATION RECALCULATION  
AND RESTORATION**

Sec. 101. Modified methodology.

Sec. 102. Relating to a postal surplus.

Sec. 103. Treatment of certain surplus retirement contributions.

Sec. 104. Elimination of requirement to pre-fund the Postal Service Retiree  
Health Benefits Fund.

Sec. 105. Effective date; rule of construction.

**TITLE II—RESTRICTIONS ON POSTAL FACILITY CLOSURES**

Sec. 201. Modified procedures.

Sec. 202. Definitions.

**TITLE III—INCENTIVES FOR INNOVATION**

Sec. 301. Authority to offer nonpostal services and products.

Sec. 302. Wine and beer shipping.

Sec. 303. Innovation and accountability.

**TITLE IV—MAINTAINING LEVELS OF SERVICE**

Sec. 401. Six-day delivery.

Sec. 402. Service standards for market-dominant products.

**TITLE V—ELIMINATION OF ANNUAL LIMITATION ON INCREASES  
IN RATES FOR MARKET-DOMINANT PRODUCTS**

Sec. 501. Elimination of annual limitation.

6 **TITLE I—RETIREMENT ANNUITY**  
7 **OBLIGATION RECALCULA-**  
8 **TION AND RESTORATION**

9 **SEC. 101. MODIFIED METHODOLOGY.**

10 (a) **IN GENERAL.**—Section 8348(h) of title 5, United  
11 States Code, is amended by adding at the end the fol-  
12 lowing:

1       “(4)(A) To the extent that a determination under  
2 paragraph (1), relating to benefits attributable to civilian  
3 employment with the United States Postal Service, is  
4 based on a provision of law described in subparagraph (C),  
5 the determination shall be made in accordance with that  
6 provision and any otherwise applicable provisions of law,  
7 subject to the following:

8               “(i) The ‘average pay’ used in the case of any  
9 individual shall be a single amount, determined in  
10 accordance with section 8331(4), taking into account  
11 the rates of basic pay in effect for the individual  
12 during the periods of creditable service performed by  
13 the individual. Nothing in this subsection shall be  
14 considered to permit or require—

15               “(I) 1 determination of average pay with  
16 respect to service performed with the United  
17 States Postal Service; and

18               “(II) a separate determination of average  
19 pay with respect to service performed with its  
20 predecessor entity in function.

21               “(ii) In determining the portion of an annuity  
22 attributable to civilian employment with the United  
23 States Postal Service, with respect to any period of  
24 employment with the United States Postal Service  
25 that follows any other period of employment cred-

1       itable under section 8332 (without regard to whether  
2       the employment was with an entity referred to in  
3       clause (i)(II)), the total service of an employee for  
4       purposes of any provision of law described in sub-  
5       paragraph (C) shall be the sum of—

6               “(I) any period of employment with the  
7               United States Postal Service; and

8               “(II) any period of employment creditable  
9               under section 8332 that precedes the period de-  
10              scribed in subclause (I).

11       “(B)(i) Not later than 6 months after the date of en-  
12       actment of this paragraph, the Office shall determine (or,  
13       if applicable, redetermine) the amount of the Postal sur-  
14       plus or supplemental liability as of the close of the fiscal  
15       year most recently ending before that date of enactment,  
16       in conformance with the methodology required under sub-  
17       paragraph (A).

18       “(ii)(I) If the result of the determination or redeter-  
19       mination under clause (i) is a surplus, the Office may  
20       transfer the amount of the surplus, or any portion of the  
21       amount of the surplus, at the request of the United States  
22       Postal Service, to—

23               “(aa) the Postal Service Retiree Health Bene-  
24               fits Fund established under section 8909a; and

1           “(bb) the Postal Service Fund established  
2           under section 2003 of title 39.

3           “(II) If a determination or redetermination under  
4           clause (i) for a fiscal year is made before a determination  
5           under paragraph (2)(B) is made with respect to the fiscal  
6           year, the Office may not make a determination under  
7           paragraph (2)(B) with respect to the fiscal year.

8           “(C) The provisions of law described in this subpara-  
9           graph are—

10           “(i) the first sentence of section 8339(a); and

11           “(ii) section 8339(d)(1).”.

12           (b) COORDINATION PROVISIONS.—

13           (1) DETERMINATION OF AMOUNT PAYABLE.—

14           Section 8909a of title 5, United States Code, is  
15           amended by adding at the end the following:

16           “(e) Notwithstanding any other provision of law, the  
17           Office shall determine the amount payable by the Postal  
18           Service under subsection (d) in any fiscal year ending on  
19           or before September 30, 2013, without regard to the re-  
20           quirements under section 8348(h)(4).”.

21           (2) RULE OF CONSTRUCTION.—Nothing in this  
22           Act shall affect the amount of any benefits otherwise  
23           payable from the Civil Service Retirement and Dis-  
24           ability Fund to any individual.

1 (c) TECHNICAL AND CONFORMING AMENDMENT.—  
2 The heading for section 8909a of title 5, United States  
3 Code, is amended by striking “**Benefit**” and inserting  
4 “**Benefits**”.

5 **SEC. 102. RELATING TO A POSTAL SURPLUS.**

6 Section 8348(h)(2)(C) of title 5, United States Code,  
7 is amended—

8 (1) by inserting “2021,” after “2015,”; and

9 (2) by striking “if the result is” and all that  
10 follows through “terminated.” and inserting the fol-  
11 lowing: “if the result is a surplus—

12 “(i) that amount, or any portion of that  
13 amount, may be transferred at the request of the  
14 United States Postal Service to—

15 “(I) the Postal Service Retiree Health  
16 Benefits Fund; and

17 “(II) the Postal Service Fund established  
18 under section 2003 of title 39; and

19 “(ii) any prior amortization schedule for pay-  
20 ments shall be terminated.”.

21 **SEC. 103. TREATMENT OF CERTAIN SURPLUS RETIREMENT**  
22 **CONTRIBUTIONS.**

23 Section 8423(b) of title 5, United States Code, is  
24 amended—

1 (1) by redesignating paragraph (5) as para-  
2 graph (6); and

3 (2) by inserting after paragraph (4) the fol-  
4 lowing:

5 “(5) If, for fiscal year 2010, the amount computed  
6 under paragraph (1)(B) is less than zero (in this section  
7 referred to as ‘surplus postal contributions’), the amount  
8 of the surplus postal contributions, or any portion of the  
9 amount, may be transferred at the request of the United  
10 States Postal Service to—

11 “(A) the Postal Service Retiree Health Benefits  
12 Fund established under section 8909a;

13 “(B) the Postal Service Fund established under  
14 section 2003 of title 39;

15 “(C) the Employees’ Compensation Fund estab-  
16 lished under section 8147; and

17 “(D) the United States Postal Service for the  
18 repayment of any obligation issued under section  
19 2005 of title 39.”.

20 **SEC. 104. ELIMINATION OF REQUIREMENT TO PRE-FUND**  
21 **THE POSTAL SERVICE RETIREE HEALTH BEN-**  
22 **EFITS FUND.**

23 (a) IN GENERAL.—Section 8909a of title 5, United  
24 States Code, is amended—

25 (1) in subsection (d)—

1 (A) by striking paragraph (3); and

2 (B) by redesignating paragraphs (4)  
3 through (6) as paragraphs (3) through (5), re-  
4 spectively; and

5 (2) by adding at after subsection (e) (as added  
6 by section 101(b)(1)) the following:

7 “(f) Nothing in this section shall be construed to re-  
8 quire the Postal Service to pay any amount into the Postal  
9 Service Retiree Health Benefits Fund established under  
10 section 8909a.”.

11 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
12 Section 803(b)(1)(A) of the Postal Accountability and En-  
13 hancement Act (5 U.S.C. 8909a note) is amended by  
14 striking “8909a(d)(5)” and inserting “8909a(d)(4)”.

15 **SEC. 105. EFFECTIVE DATE; RULE OF CONSTRUCTION.**

16 (a) IN GENERAL.—This title and the amendments  
17 made by this title shall take effect on the date of enact-  
18 ment of this Act.

19 (b) INTENT OF CONGRESS.—It is the intent of Con-  
20 gress that this title apply with respect to the allocation  
21 of past, present, and future benefit liabilities between the  
22 United States Postal Service and the Treasury of the  
23 United States.

24 (c) RULE OF CONSTRUCTION.—Nothing in this Act  
25 or the amendments made by this Act shall be construed



1 to prohibit the Postal Service from paying any amount of  
2 surplus contributions to the Civil Service Retirement and  
3 Disability Fund and the Federal Employees' Retirement  
4 System into—

5 (1) the Postal Service Retiree Health Benefits  
6 Fund established under section 8909a of title 5,  
7 United States Code; and

8 (2) the Postal Service Fund established under  
9 section 2003 of title 39, United States Code.

## 10 **TITLE II—RESTRICTIONS ON** 11 **POSTAL FACILITY CLOSURES**

### 12 **SEC. 201. MODIFIED PROCEDURES.**

13 (a) IN GENERAL.—Section 404(d) of title 39, United  
14 States Code, is amended by striking “(d)(1)” and all that  
15 follows through paragraph (4) and inserting the following:

16 “(d)(1) Before making a determination under sub-  
17 section (a)(3) to close or consolidate a postal facility, the  
18 Postal Service shall—

19 “(A) conduct an investigation to assess the  
20 need for the proposed closure or consolidation; and

21 “(B) ensure that each person served by the  
22 postal facility has an opportunity to present views by  
23 providing appropriate notice—

24 “(i) to each person by mail; and

1           “(ii) by publication in a newspaper of gen-  
2           eral circulation in the area in which each person  
3           resides.

4           “(2) In conducting an investigation under paragraph  
5 (1)(A) and determining whether to close or consolidate a  
6 postal facility under subsection (a)(3), the Postal Serv-  
7 ice—

8           “(A) shall consider—

9           “(i) the effect the closing or consolidation  
10          would have on the community served by the  
11          postal facility;

12          “(ii) the effect the closing or consolidation  
13          would have on employees of the Postal Service  
14          employed at the postal facility; and

15          “(iii) whether the closing or consolidation  
16          would be consistent with the policy of the Gov-  
17          ernment under section 101(b), that the Postal  
18          Service shall provide a maximum degree of ef-  
19          fective and regular postal services to rural  
20          areas, communities, and small towns where  
21          postal facilities are not self-sustaining; and

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

1       “(3)(A) Upon completion of an investigation under  
2 paragraph (1), the Postal Service shall make a decision,  
3 in writing, whether to proceed with the proposal to close  
4 or consolidate a postal facility, which shall include the  
5 findings of the Postal Service with respect to each factor  
6 specified in paragraph (2)(A).

7       “(B) Not later than 90 days before the Postal Service  
8 makes a final determination under this subsection, the  
9 Postal Service shall—

10           “(i) post notice of the decision and findings  
11 under subparagraph (A) in a prominent place in  
12 each postal facility that would be affected by the  
13 closing or consolidation; and

14           “(ii) send notice of each posting under clause  
15 (i) by mail to each person served by the postal facil-  
16 ity in which the notice is posted.

17       “(C) Notice under subparagraph (B) shall include—

18           “(i) a statement as follows: ‘This is notice of a  
19 proposal to | | | | | this postal facility. A final  
20 determination will not be made before the end of the  
21 90-day period beginning on the date on which this  
22 notice is first posted.’, with the blank space being  
23 filled in with ‘close’ or ‘consolidate’ (whichever is ap-  
24 propriate), and with instructions for how any inter-  
25 ested person may submit comments;

1           “(ii) a brief summary of the findings of the  
2           Postal Service with respect to the factors specified in  
3           paragraph (2)(A); and

4           “(iii) the amount of cost savings the Postal  
5           Service estimates the Postal Service will realize from  
6           the closing or consolidation, in the first year fol-  
7           lowing the date of the closing or consolidation, to-  
8           gether with an explanation of the assumptions and  
9           methodologies used in making the estimate.

10          “(4) The Postal Service shall make a final determina-  
11          tion to close or consolidate a postal facility in writing after  
12          taking into consideration any comments received during  
13          the 90-day period described under paragraph (3). The  
14          Postal Service shall take no action to close or consolidate  
15          a postal facility before the date that is 60 days after the  
16          date on which the Postal Service—

17                 “(A) posts a copy of the final determination in  
18                 a prominent location in each affected postal facility;  
19                 and

20                 “(B) sends to each person served by the postal  
21                 facility—

22                         “(i) a notice of the determination; and

23                         “(ii) notice of any appeal rights available  
24                         with respect to the determination.”.

1 (b) DE NOVO REVIEW.—Section 404(d)(5) of title  
2 39, United States Code, is amended—

3 (1) by striking “post office” and inserting  
4 “postal facility”; and

5 (2) by striking “The Commission shall set  
6 aside” and all that follows through “final disposition  
7 of the appeal.” and inserting the following: “The  
8 Commission shall review de novo the determination  
9 of the Postal Service. In conducting a review de  
10 novo, the Commission shall consider the factors de-  
11 scribed in paragraph (2)(A). If the Commission  
12 finds fault with a determination of the Postal Serv-  
13 ice, the Commission shall suspend the effectiveness  
14 of the determination of the Postal Service.”.

15 (c) EXCEPTION; CALCULATION OF ACTUAL COST  
16 SAVINGS.—Section 404(d) of title 39, United States Code,  
17 is amended by adding at the end the following:

18 “(7)(A) Paragraphs (1) through (6) shall not apply  
19 in the case of a closing or consolidation which occurs by  
20 reason of an emergency suspension, as described in section  
21 241.3 of title 39, Code of Federal Regulations, or any suc-  
22 cessor thereto.

23 “(B) For purposes of this paragraph, the term ‘emer-  
24 gency suspension’ does not, in the case of a leased facility,

1 include the termination or cancellation of the lease by a  
2 party other than the Postal Service.

3 “(8)(A) Not later than 2 years after the date of the  
4 closing or consolidation of any postal facility occurring  
5 after the date of enactment of this paragraph, the Inspec-  
6 tor General shall determine the amount of the cost savings  
7 realized by the Postal Service from the closing or consoli-  
8 dation for the first year following the closing or consolida-  
9 tion.

10 “(B) The Inspector General shall submit to the Post-  
11 master General and to Congress—

12 “(i) a report for each postal facility for which  
13 the Inspector made a determination of cost savings  
14 under subparagraph (A) during the preceding year  
15 that includes—

16 “(I) the amount of the cost savings deter-  
17 mined to be realized with respect to each clos-  
18 ing or consolidation of a postal facility, together  
19 with an explanation of the assumptions and  
20 methodologies used in making the determina-  
21 tion;

22 “(II) a comparison of—

23 “(aa) the cost savings determined by  
24 the Inspector General; and

1                   “(bb) the estimates provided by the  
2                   Postal Service under paragraph (3)(C)(iii);  
3                   and

4                   “(III) an explanation of the reasons for  
5                   any differences between the determination of  
6                   the Inspector General and the estimates of the  
7                   Postal Service, together with recommendations  
8                   for any legislation or administrative action that  
9                   the Inspector General considers appropriate to  
10                  provide for more accurate estimates; and

11                  “(ii) an annual report with respect to all the  
12                  postal facilities for which the Inspector made a de-  
13                  termination of cost savings under subparagraph (A)  
14                  that includes the information required under clause  
15                  (i).”.

16 **SEC. 202. DEFINITIONS.**

17                  Section 404(d) of title 39, United States Code, as  
18                  amended by section 201(c), is further amended by adding  
19                  at the end the following:

20                  “(9) In this subsection—

21                          “(A) the term ‘postal facility’ includes an office,  
22                          branch, station, or other facility which—

23                                  “(i) is operated by the Postal Service; and

24                                  “(ii) provides services to persons described  
25                                  in subparagraph (B); and

1           “(B) any reference to the persons served by a  
2 postal facility shall include a postal customer receiv-  
3 ing mail delivery service from the postal facility, a  
4 resident of a ZIP code served by the postal facility,  
5 a postal customer having a post office box at the  
6 postal facility, and any relevant local government of-  
7 ficial as defined by the Postal Service by rule.”.

## 8           **TITLE III—INCENTIVES FOR** 9           **INNOVATION**

### 10   **SEC. 301. AUTHORITY TO OFFER NONPOSTAL SERVICES** 11           **AND PRODUCTS.**

12           (a) SPECIFIC POWER.—Section 404(a) of title 39,  
13 United States Code, is amended—

14                 (1) in paragraph (7), by striking “and” at the  
15 end;

16                 (2) in paragraph (8), by striking the period and  
17 inserting “; and”; and

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

19                         “(9) to provide nonpostal services and products  
20 in accordance with subsection (e).”.

21           (b) NONPOSTAL SERVICES AND PRODUCTS.—Section  
22 404(e) is amended to read as follows:

23                         “(e)(1) The Postal Service may provide any nonpostal  
24 service or product in a manner consistent with the public  
25 interest.



1       “(2) Not later than 90 days before providing a non-  
2 postal service or product that the Postal Service did not  
3 provide before the date of enactment of this subsection,  
4 the Postal Service shall request an advisory opinion from  
5 the Postal Regulatory Commission that evaluates the ex-  
6 tent to which the provision of that nonpostal service or  
7 product—

8               “(A) would use the processing, transportation,  
9 delivery, retail network, technology, or other re-  
10 sources of the Postal Service; and

11              “(B) would be consistent with the public inter-  
12 est.

13       “(3) Not later than 45 days after the date on which  
14 the Postal Regulatory Commission receives a request  
15 under paragraph (2), the Postal Regulatory Commission  
16 shall—

17              “(A) issue an advisory opinion to the Postal  
18 Service concerning the request; and

19              “(B) transmit a copy of the advisory opinion,  
20 together with the original request, to—

21                      “(i) the Committee on Oversight and Gov-  
22 ernment Reform of the House of Representa-  
23 tives; and

24                      “(ii) the Committee on Homeland Security  
25 and Governmental Affairs of the Senate.

1 “(4) In this title, the term ‘nonpostal service or prod-  
2 uct’ means any service or product other than a postal serv-  
3 ice, including—

4 “(A) check-cashing services;

5 “(B) technology and media services;

6 “(C) warehousing and logistics;

7 “(D) facility leasing;

8 “(E) public Internet access services;

9 “(F) driver licensing;

10 “(G) vehicle registration;

11 “(H) hunting and fishing licensing;

12 “(I) notary services; and

13 “(J) voter registration.

14 “(5) The Postal Service may enter into a contract  
15 with a State or local agency to provide a nonpostal service  
16 or product authorized under this subsection.”.

17 **SEC. 302. WINE AND BEER SHIPPING.**

18 (a) MAILABILITY.—

19 (1) NONMAILABLE ARTICLES.—Section 1716(f)  
20 of title 18, United States Code, is amended by strik-  
21 ing “mails” and inserting “mails, except to the ex-  
22 tent that the mailing is allowable under section  
23 3001(p) of title 39”.

24 (2) INTOXICANTS.—Section 1154(a) of title 18,  
25 United States Code, is amended, by inserting “or,

1 with respect to the mailing of wine or malt bev-  
2 erages, to the extent allowed under section 3001(p)  
3 of title 39” after “mechanical purposes”.

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

7 “(p)(1) Wine or malt beverages shall be considered  
8 mailable if mailed—

9 “(A) by a licensed winery or brewery, in accord-  
10 ance with applicable regulations under paragraph  
11 (2); and

12 “(B) in accordance with the law of the State,  
13 territory, or district of the United States where the  
14 addressee or duly authorized agent takes delivery.

15 “(2) The Postal Service shall prescribe such regula-  
16 tions as may be necessary to carry out this subsection,  
17 including regulations providing that—

18 “(A) the mailing shall be by a means estab-  
19 lished by the Postal Service to ensure direct delivery  
20 to the addressee or a duly authorized agent at a  
21 postal facility;

22 “(B) the addressee (and any duly authorized  
23 agent) shall be an individual at least 21 years of  
24 age, and shall present a valid, government-issued  
25 photo identification at the time of delivery;

1           “(C) the wine or malt beverages may not be for  
2 resale or other commercial purpose; and

3           “(D) the winery or brewery involved shall—

4                 “(i) certify in writing to the satisfaction of  
5 the Postal Service, through a registration pro-  
6 cess administered by the Postal Service, that the  
7 mailing is not in violation of any provision of  
8 this subsection or regulation prescribed under  
9 this subsection; and

10                “(ii) provide any other information or af-  
11 firmation that the Postal Service may require,  
12 including with respect to the prepayment of  
13 State alcohol beverage taxes.

14           “(3) For purposes of this subsection—

15                 “(A) a winery shall be considered to be licensed  
16 if that winery holds an appropriate basic permit  
17 issued—

18                         “(i) under the Federal Alcohol Administra-  
19 tion Act (27 U.S.C. 201 et seq.); and

20                         “(ii) under the law of the State in which  
21 the winery is located; and

22                 “(B) a brewery shall be considered to be li-  
23 censed if that brewery—

24                         “(i) possesses a notice of registration and  
25 bond approved by the Alcohol and Tobacco Tax

1 and Trade Bureau of the Department of the  
2 Treasury; and

3 “(ii) is licensed to manufacture and sell  
4 beer in the State in which the brewery is lo-  
5 cated.”.

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

8 (1) the date on which the Postal Service issues  
9 regulations under section 3001(p) of title 39, United  
10 States Code, as amended by this section; or

11 (2) 120 days after the date of enactment of this  
12 Act.

13 **SEC. 303. INNOVATION AND ACCOUNTABILITY.**

14 (a) IN GENERAL.—Chapter 2 of title 39, United  
15 States Code, is amended by adding at the end the fol-  
16 lowing:

17 **“§ 209. Innovation and accountability**

18 “(a) CHIEF INNOVATION OFFICER.—There shall be  
19 in the Postal Service a Chief Innovation Officer appointed  
20 by the Postmaster General who shall have proven expertise  
21 and a record of success in—

22 “(1) the postal and shipping industry;

23 “(2) innovative product research and develop-  
24 ment;

25 “(3) marketing brand strategy;

1           “(4) emerging communications technology; or

2           “(5) business process management.

3           “(b) DUTIES.—The Chief Innovation Officer shall—

4           “(1) lead the development of innovative non-  
5 postal products and services that maximize the rev-  
6 enue of the Postal Service;

7           “(2) develop innovative postal products and  
8 services, particularly products and services that use  
9 emerging information technologies, to maximize the  
10 revenue of the Postal Service;

11           “(3) supervise the implementation of products  
12 and services described in paragraphs (1) and (2);  
13 and

14           “(4) monitor the performance of products and  
15 services described in paragraphs (1) and (2) and  
16 modify the products and services as needed to ad-  
17 dress changing market trends.

18           “(c) CONSIDERATIONS.—The Chief Innovation Office  
19 shall take into consideration comments or advisory opin-  
20 ions, if applicable, issued by the Postal Regulatory Com-  
21 mittee before the initial sale of innovative postal or non-  
22 postal products and services.

23           “(d) DESIGNATION.—

24           “(1) DEADLINE.—As soon as practicable after  
25 the date of enactment of this section, and not later

1 than 90 days after the date of enactment of this sec-  
2 tion, the Postmaster General shall appoint a Chief  
3 Innovation Officer.

4 “(2) CONDITION.—The Chief Innovation Offi-  
5 cer may not, while serving as Chief Innovation Offi-  
6 cer, hold any other office or position in the Postal  
7 Service.

8 “(3) RULE OF CONSTRUCTION.—Nothing in  
9 this section shall be construed to prohibit an indi-  
10 vidual who holds another office or position in the  
11 Postal Service at the time the individual is appointed  
12 Chief Innovation Officer from serving as the Chief  
13 Innovation Officer under this section.

14 “(e) ADVISORY COMMISSION.—

15 “(1) ESTABLISHMENT.—There is established  
16 the Postal Innovation Advisory Commission (herein-  
17 after the ‘Commission’).

18 “(2) MEMBERSHIP.—

19 “(A) IN GENERAL.—The Commission shall  
20 be composed of—

21 “(i) the Chief Innovation Officer es-  
22 tablished under subsection (a), who shall  
23 serve as Chairperson of the Commission;  
24 and

1           “(ii) 5 other members as the Postal  
2           Regulatory Commission shall appoint, of  
3           whom—

4                   “(I) 1 member shall have exper-  
5                   tise in labor;

6                   “(II) 1 member shall have exper-  
7                   tise in small business issues;

8                   “(III) 1 member shall have ex-  
9                   pertise in consumer protection;

10                   “(IV) 1 member shall have exper-  
11                   tise in small periodicals and news-  
12                   papers; and

13                   “(V) 1 member shall have exper-  
14                   tise in the postal industry.

15                   “(B) PERIOD OF APPOINTMENT.—Mem-  
16                   bers shall be appointed for 5-year terms.

17                   “(C) VACANCIES.—Any vacancy in the  
18                   Commission shall not affect the powers of the  
19                   Commission, but shall be filled in the same  
20                   manner as the original appointment.

21                   “(D) MEETINGS.—The Commission shall  
22                   meet at the call of the Chairperson.

23                   “(E) QUORUM.—A majority of the mem-  
24                   bers of the Commission shall constitute a



1 quorum, but a lesser number of members may  
2 hold hearings.

3 “(3) DUTIES OF THE COMMISSION.—

4 “(A) STUDY.—The Commission shall  
5 study—

6 “(i) additional postal and nonpostal  
7 services that the Postal Service may offer  
8 to raise revenue; and

9 “(ii) services that postal services in  
10 foreign countries have offered to respond  
11 to the increasing demand for high-tech  
12 services, including—

13 “(I) banking and insurance serv-  
14 ices;

15 “(II) communication services;

16 “(III) physical delivery of e-mail  
17 correspondence to individuals who do  
18 not have Internet access;

19 “(IV) scanning physical mail and  
20 delivering that mail through e-mail;  
21 and

22 “(V) communication through se-  
23 cure servers.

24 “(B) RECOMMENDATIONS.—The Commis-  
25 sion shall generate recommendations for addi-

1 tional services that the Postal Service should  
2 provide based on the study conducted under  
3 subparagraph (A).

4 “(C) REPORT.—Not later than 1 year  
5 after the date of enactment of this section, and  
6 each year thereafter, the Commission shall sub-  
7 mit to the Postmaster General a report that  
8 contains each recommendation described under  
9 subparagraph (B) that the Commission ap-  
10 proves by a majority vote.

11 “(4) POWERS OF THE COMMISSION.—

12 “(A) HEARINGS.—The Commission may  
13 hold such hearings, take such testimony, and  
14 receive such evidence as is necessary to carry  
15 out this subsection.

16 “(B) INFORMATION FROM FEDERAL AGEN-  
17 CIES.—The Commission may secure directly  
18 from any Federal department or agency such  
19 information as the Commission considers nec-  
20 essary to carry out this subsection. Upon re-  
21 quest of the Chairperson of the Commission,  
22 the head of such department or agency shall  
23 furnish such information to the Commission.

24 “(C) POSTAL SERVICES.—The Commission  
25 may use the United States mails in the same

1 manner and under the same conditions as other  
2 departments and agencies of the Federal Gov-  
3 ernment.

4 “(D) GIFTS.—The Commission may ac-  
5 cept, use, and dispose of gifts or donations of  
6 services or property.

7 “(5) COMMISSION PERSONNEL MATTERS.—

8 “(A) COMPENSATION OF MEMBERS.—Each  
9 member of the Commission who is not an offi-  
10 cer or employee of the Federal Government (in-  
11 cluding the Postal Service) shall be com-  
12 pensated at a rate equal to the daily equivalent  
13 of the annual rate of basic pay prescribed for  
14 level IV of the Executive Schedule under section  
15 5315 of title 5 for each day (including travel  
16 time) during which such member is engaged in  
17 the performance of the duties of the Commis-  
18 sion. All members of the Commission who are  
19 officers or employees of the United States, in-  
20 cluding the Postal Service, shall serve without  
21 compensation in addition to that received for  
22 their services as officers or employees of the  
23 United States.

24 “(B) TRAVEL EXPENSES.—The members  
25 of the Commission shall be allowed travel ex-

1           penses, including per diem in lieu of subsist-  
2           ence, at rates authorized for employees of agen-  
3           cies under subchapter I of chapter 57 of title 5  
4           while away from their homes or regular places  
5           of business in the performance of services for  
6           the Commission.

7           “(C) STAFF.—

8           “(i) IN GENERAL.—The Chairperson  
9           of the Commission may, without regard to  
10          the civil service laws and regulations, ap-  
11          point and terminate an executive director  
12          and such other additional personnel as  
13          may be necessary to enable the Commis-  
14          sion to perform its duties. The employment  
15          of an executive director shall be subject to  
16          confirmation by the Commission.

17          “(ii) COMPENSATION.—The Chair-  
18          person of the Commission may fix the com-  
19          pensation of the executive director and  
20          other personnel without regard to chapter  
21          51 and subchapter III of chapter 53 of  
22          title 5 relating to classification of positions  
23          and General Schedule pay rates, except  
24          that the rate of pay for the executive direc-  
25          tor and other personnel may not exceed the

1 rate payable for level V of the Executive  
2 Schedule under section 5316 of title 5.

3 “(D) DETAIL OF GOVERNMENT EMPLOY-  
4 EES.—Any Federal Government employee, in-  
5 cluding an employee of the Postal Service, may  
6 be detailed to the Commission without reim-  
7 bursement, and such detail shall be without  
8 interruption or loss of civil service status or  
9 privilege.

10 “(E) PROCUREMENT OF TEMPORARY AND  
11 INTERMITTENT SERVICES.—The Chairperson of  
12 the Commission may procure temporary and  
13 intermittent services under section 3109(b) of  
14 title 5 at rates for individuals that do not ex-  
15 ceed the daily equivalent of the annual rate of  
16 basic pay prescribed for level V of the Executive  
17 Schedule under section 5316 of title 5.

18 “(6) PERMANENT ADVISORY COMMISSION.—  
19 Section 14 of the Federal Advisory Committee Act  
20 (5 U.S.C. App.) shall not apply to the Commission.

21 “(7) AUTHORIZATION OF APPROPRIATIONS.—

22 “(A) IN GENERAL.—There are authorized  
23 to be appropriated such sums as may be nec-  
24 essary to the Commission to carry out this Act.

1           “(B) AVAILABILITY.—Any sums appro-  
2           priated under the authorization contained in  
3           this section shall remain available, without fis-  
4           cal year limitation, until expended.

5           “(f) INNOVATION STRATEGY.—

6           “(1) IN GENERAL.—Not later than 1 year after  
7           the date of enactment of this section, the Postmaster  
8           General shall submit, at the same time the President  
9           submits the annual budget request under section  
10          1105 of title 31 for that year, and together with the  
11          report on performance under subsection (g), a com-  
12          prehensive strategy for maximizing the revenue of  
13          the Postal Service through innovative postal and  
14          nonpostal products and services to—

15               “(A) the Committee on Homeland Security  
16               and Governmental Affairs of the Senate;

17               “(B) the Committee on Oversight and Gov-  
18               ernment Reform of the House of Representa-  
19               tives; and

20               “(C) the Postal Regulatory Commission.

21          “(2) MATTERS TO BE ADDRESSED.—At a min-  
22          imum, the strategy required by this subsection shall  
23          address—

24               “(A) the specific innovative postal and  
25               nonpostal products and services to be developed

1 and offered by the Postal Service, including the  
2 nature of the market demand to be satisfied by  
3 each product and service and the estimated  
4 date by which each product and service will be  
5 introduced;

6 “(B) the cost of developing and offering  
7 each product or service;

8 “(C) the anticipated sales volume for each  
9 product and service;

10 “(D) the anticipated revenues and profits  
11 expected to be generated by each product and  
12 service;

13 “(E) the likelihood of success of each prod-  
14 uct and service and the risks associated with  
15 the development and sale of each product and  
16 service;

17 “(F) the trends anticipated in market con-  
18 ditions that may affect the success of each  
19 product and service during the 5-year period  
20 following the submission of the report; and

21 “(G) the metrics that will be used to assess  
22 the effectiveness of the innovation strategy.

23 “(3) STRATEGY UPDATES.—The Postmaster  
24 General shall—

1           “(A) update the strategy required under  
2 this subsection every 2 years; and

3           “(B) submit the updated strategy, at the  
4 same time the President submits the annual  
5 budget request under section 1105 of title 31  
6 for that year, and together with the report on  
7 performance under subsection (g), to—

8                   “(i) the Committee on Homeland Se-  
9                   curity and Governmental Affairs of the  
10                   Senate;

11                   “(ii) the Committee on Oversight and  
12                   Government Reform of the House of Rep-  
13                   resentatives; and

14                   “(iii) the Postal Regulatory Commis-  
15                   sion.

16           “(g) REPORT ON PERFORMANCE.—

17                   “(1) IN GENERAL.—The Postmaster General  
18 shall submit an annual report that describes the  
19 progress of the Postal Service in implementing the  
20 strategy under this section, at the same time the  
21 President submits the annual budget request under  
22 section 1105 of title 31, to—

23                   “(A) the Committee on Homeland Security  
24                   and Governmental Affairs of the Senate;



1           “(B) the Committee on Oversight and Gov-  
2           ernment Reform of the House of Representa-  
3           tives; and

4           “(C) the Postal Regulatory Commission.

5           “(2) MATTERS TO BE ADDRESSED.—At a min-  
6           imum, a report under this subsection shall include—

7           “(A) the revenue generated by each prod-  
8           uct and service developed through the strategy  
9           under this section and the costs of developing  
10          and offering each product or service for the pre-  
11          ceding year;

12          “(B) the total sales volume and revenue  
13          generated by each product and service on a  
14          monthly basis for the preceding year;

15          “(C) trends in each market in which a  
16          product or service is intended to satisfy a de-  
17          mand;

18          “(D) products and services identified in  
19          the strategy under this section that are to be  
20          discontinued, the date on which the discontinu-  
21          ance will occur, and the reasons for the dis-  
22          continuance;

23          “(E) alterations in products and services  
24          identified in the strategy under this section that  
25          will be made to address changing market condi-

1 tions, and an explanation of how the alterations  
2 will ensure the success of the products and  
3 services; and

4 “(F) the performance of the strategy  
5 under this section according to the metrics  
6 identified under subsection (e)(2)(G).

7 “(h) STUDY AND REPORT BY COMPTROLLER GEN-  
8 ERAL.—

9 “(1) STUDY.—

10 “(A) IN GENERAL.—The Comptroller Gen-  
11 eral of the United States shall conduct a study  
12 on the implementation of the strategy under  
13 this section that assesses the effectiveness of  
14 the Postal Service in identifying, developing,  
15 and selling innovative postal and nonpostal  
16 products and services.

17 “(B) CONTENTS.—The study under sub-  
18 paragraph (A) shall include—

19 “(i) an audit of the costs of devel-  
20 oping each innovative postal and nonpostal  
21 product and service developed or offered by  
22 the Postal Service;

23 “(ii) the sales volume of each product  
24 and service;

1 “(iii) the revenues and profits gen-  
2 erated by each product and service; and

3 “(iv) the likelihood of continued suc-  
4 cess of each product and service.

5 “(2) REPORT.—Not later than 3 years after the  
6 date of enactment of this section, the Comptroller  
7 General shall submit a report concerning the study  
8 under paragraph (1) to—

9 “(A) the Committee on Homeland Security  
10 and Governmental Affairs of the Senate; and

11 “(B) the Committee on Oversight and Gov-  
12 ernment Reform of the House of Representa-  
13 tives.”.

14 (b) CLERICAL AMENDMENT.—The table of sections  
15 for chapter 2 of title 39, United States Code, is amended  
16 by adding at the end the following:

“209. Innovation and accountability.”.

17 **TITLE IV—MAINTAINING LEVELS**  
18 **OF SERVICE**

19 **SEC. 401. SIX-DAY DELIVERY.**

20 Section 404a(a) of title 39, United States Code, is  
21 amended—

22 (1) in paragraph (2), by striking “or” at the  
23 end;

24 (2) in paragraph (3), by striking the period and  
25 inserting “; or”; and

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

2 “(4) reduce the frequency of the delivery of  
3 mail to fewer than 6 days each week.”.

4 **SEC. 402. SERVICE STANDARDS FOR MARKET-DOMINANT**  
5 **PRODUCTS.**

6 Section 3691 of title 39, United States Code, is  
7 amended by adding at the end the following:

8 “(e) RESTRICTION ON AUTHORITY.—Notwith-  
9 standing subsections (a), (b), and (c), the Postal Service  
10 may not increase the expected delivery time for market-  
11 dominant products required under part 121 of title 39,  
12 Code of Federal Regulations, as in effect on March 2,  
13 2010.”.

14 **TITLE V—ELIMINATION OF AN-**  
15 **NUAL LIMITATION ON IN-**  
16 **CREASES IN RATES FOR MAR-**  
17 **KET-DOMINANT PRODUCTS**

18 **SEC. 501. ELIMINATION OF ANNUAL LIMITATION.**

19 (a) IN GENERAL.—Subparagraph (A) of paragraph  
20 (1) of section 3622(d) of title 39, United States Code, is  
21 repealed.

22 (b) TECHNICAL AND CONFORMING AMENDMENTS.—  
23 Such section 3622(d), as amended by subsection (a), is  
24 further amended—

25 (1) in paragraph (1)—

1 (A) by redesignating subparagraphs (B)  
2 and (C) as subparagraphs (A) and (B), respec-  
3 tively; and

4 (B) in subparagraph (B) (as so redesign-  
5 nated by subparagraph (A))—

6 (i) by inserting “and” at the end of  
7 clause (i); and

8 (ii) by striking clauses (iii) and (iv);

9 (C) by striking subparagraph (D) and re-  
10 designating subparagraph (E) as subparagraph  
11 (D); and

12 (D) in subparagraph (D) (as so redesign-  
13 nated by subparagraph (C)), by striking “not-  
14 withstanding” and all that follows through  
15 “paragraph (2)(C),”; and

16 (2) by striking paragraph (2) and redesignating  
17 paragraph (3) as paragraph (2).

□