

**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
**TO H.R. 2748**  
**OFFERED BY MR. CUMMINGS OF MARYLAND**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REF-**  
**2 REFERENCES.**

**3 (a) SHORT TITLE.**—This Act may be cited as the  
**4 “Innovate To Deliver Act of 2013”.**

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

Sec. 1. Short title; table of contents; references.

**TITLE I—POSTAL SERVICE PROFITABILITY AND REVENUE-**  
**GENERATING ENHANCEMENTS**

**Subtitle A—Postal Service Products and Pricing**

- Sec. 101. USPS innovation officer and accountability.
- Sec. 102. Authority to offer nonpostal services.
- Sec. 103. Requirement that market-dominant products cover attributable costs.
- Sec. 104. Postal rate reform.
- Sec. 105. Enhanced product innovation.
- Sec. 106. Authority to ship beer, wine, and distilled spirits.
- Sec. 107. Repeal of uniform rate for books, films, and other materials.

**Subtitle B—Postal Service Management**

- Sec. 108. USPS balanced budget minimum requirement.
- Sec. 109. Reporting requirement for Board of Governors and Postal Regulatory Commissioners.
- Sec. 110. Restrictions on postal service executive compensation.
- Sec. 111. Investment of competitive product moneys.
- Sec. 112. Right of appeal to Merit Systems Protection Board.

**TITLE II—POSTAL SERVICE WORKFORCE REALIGNMENT AND**  
**RIGHT-SIZING**

- Sec. 201. Separate normal-cost percentage recalculation of Federal Employees Retirement System.
- Sec. 202. Treatment of surplus contributions to Federal Employees Retirement System.
- Sec. 203. Sense of Congress.
- Sec. 204. Contributions to Thrift Savings Fund of voluntary separation incentive payments.
- Sec. 205. Service credit contributions of voluntary separation incentive payments.
- Sec. 206. Modification of prepayment schedule relating to Postal Service Retiree Health Benefits Fund.
- Sec. 207. Study on USPS workforce realignment and right-sizing options.
- Sec. 208. Applicability of provisions relating to reductions in force.
- Sec. 209. Enhanced reporting on facility network initiatives.

### TITLE III—POSTAL SERVICE IMPROVEMENTS AND REGULATORY RELIEF

- Sec. 301. Permit appeal rights for closing of postal stations and branches.
- Sec. 302. Intra-agency cooperative agreements.
- Sec. 303. Grouping of negotiated service agreements.
- Sec. 304. Simplification of process for classification of competitive products.
- Sec. 305. Development of new market-dominant classes of mail.
- Sec. 306. Expedited consideration of service changes by PRC.
- Sec. 307. Contracting provisions.

### TITLE IV—STUDIES TO ENHANCE THE POSTAL SERVICE

- Sec. 401. Assistance to facilitate voting by mail.
- Sec. 402. Study on modernizing the postal delivery vehicle fleet.
- Sec. 403. Forever Packages.
- Sec. 404. Study relating to consolidated mailings.
- Sec. 405. Study relating to the cost of Government mailings.
- Sec. 406. Packaging of postal services and products.
- Sec. 407. After-delivery payment arrangements.
- Sec. 408. Small business mailing pools.
- Sec. 409. Electronic post office box services.
- Sec. 410. Supervisory and other managerial organizations of the Postal Service.
- Sec. 411. Required period for notice and comment with respect to changes in mailing rules.
- Sec. 412. Electronic communication products.
- Sec. 413. Advisory opinion relating to 5-day delivery schedule.
- Sec. 414. Advisory opinion relating to preservation of delivery and service standards.

1       (c) REFERENCES.—Except as otherwise expressly  
2 provided, whenever in this Act an amendment or repeal  
3 is expressed in terms of an amendment to, or repeal of,  
4 a section or other provision, the reference shall be consid-

1 ered to be made to a section or other provision of title  
2 39, United States Code.

3 **TITLE I—POSTAL SERVICE**  
4 **PROFITABILITY AND REV-**  
5 **ENUE-GENERATING EN-**  
6 **HANCEMENTS**

7 **Subtitle A—Postal Service**  
8 **Products and Pricing**

9 **SEC. 101. USPS INNOVATION OFFICER AND ACCOUNT-**  
10 **ABILITY.**

11 (a) IN GENERAL.—Chapter 2 is amended by adding  
12 at the end the following:

13 **“SEC. 209. USPS INNOVATION OFFICER AND ACCOUNT-**  
14 **ABILITY.**

15 “(a) IN GENERAL.—There shall be in the Postal  
16 Service a Chief Innovation Officer selected by the Post-  
17 master General who shall have proven expertise and a  
18 record of success in 1 or more of the following: postal and  
19 shipping industry, innovation product research and devel-  
20 opment, marketing brand strategy, emerging communica-  
21 tions technology, or business process management. The  
22 Chief Innovation Officer shall manage the Postal Service’s  
23 development and implementation of innovative postal and  
24 nonpostal products and services.

1       “(b) DUTIES.—The Chief Innovation Officer shall  
2 have as primary duties—

3           “(1) leading the development of innovative non-  
4 postal products and services that will maximize rev-  
5 enue to the Postal Service;

6           “(2) developing innovative postal products and  
7 services, particularly those that utilize emerging in-  
8 formation technologies, to maximize revenue to the  
9 Postal Service;

10          “(3) monitoring the performance of innovative  
11 products and services and revising them as needed  
12 to meet changing market trends; and

13          “(4) taking into consideration comments or ad-  
14 visory opinions, if applicable, issued by the Postal  
15 Regulatory Committee prior to the initial sale of in-  
16 novative postal or nonpostal products and services.

17       “(c) DESIGNATION.—

18           “(1) DEADLINE.—As soon as practicable after  
19 the date of enactment of this section, but no later  
20 than January 1, 2014, the Postmaster General shall  
21 designate a Chief Innovation Officer.

22           “(2) CONDITION.—Nothing in this section shall  
23 be construed to prohibit an individual who holds an-  
24 other office or position in the Postal Service from  
25 serving as the Chief Innovation Officer under this

1 chapter. However, upon appointment to the position  
2 of the Chief Innovation Officer, such individual may  
3 not, while serving in such office, concurrently hold  
4 any other office or position in the Postal Service.

5 “(d) INNOVATION STRATEGY.—

6 “(1) IN GENERAL.—Not later than 12 months  
7 after the date on which the Chief Innovation Officer  
8 is designated under subsection (c)(1), the Post-  
9 master General shall submit to the Committee on  
10 Homeland Security and Governmental Affairs of the  
11 Senate and the Committee on Oversight and Govern-  
12 ment Reform of the House of Representatives a  
13 comprehensive strategy for maximizing revenues  
14 through innovative postal and nonpostal products  
15 and services.

16 “(2) MATTERS TO BE ADDRESSED.—At a min-  
17 imum, the strategy required by this section shall ad-  
18 dress—

19 “(A) the specific innovative postal and  
20 nonpostal products and services to be developed  
21 and offered by the Postal Service, including the  
22 nature of the market to be filled by each prod-  
23 uct and service and the likely date by which  
24 each product and service will be introduced;

1           “(B) the cost of developing and offering  
2 each product or service;

3           “(C) the anticipated sales volume of each  
4 product and service;

5           “(D) the anticipated revenues and profits  
6 expected to be generated by each product and  
7 service;

8           “(E) the likelihood of success of each inno-  
9 vative product and service as well as the risks  
10 associated with the development and sale of  
11 each innovative product and service;

12           “(F) the trends anticipated in market con-  
13 ditions that may affect the success of each  
14 product and service over the 5-year period be-  
15 ginning on the date such strategy or update is  
16 submitted; and

17           “(G) the metrics that will be utilized to as-  
18 sess the effectiveness of the innovation strategy.

19           “(3) STRATEGY UPDATES.—On January 1,  
20 2018, and every 3 years thereafter, the Chief Inno-  
21 vation Officer shall submit an update to the innova-  
22 tion strategy submitted under paragraph (1) to the  
23 Committee on Homeland Security and Governmental  
24 Affairs of the Senate, the Committee on Oversight

1 and Government Reform of the House of Represent-  
2 atives, and the Postal Regulatory Commission.

3 “(e) REPORT ON PERFORMANCE.—

4 “(1) IN GENERAL.—The Postmaster General  
5 shall submit to the Committee on Homeland Secu-  
6 rity and Governmental Affairs of the Senate, the  
7 Committee on Oversight and Government Reform of  
8 the House of Representatives, and the Postal Regu-  
9 latory Commission with the President’s budget sub-  
10 mission under section 1105(a) of title 31 a report  
11 that details the Postal Service’s progress in imple-  
12 menting the Innovation Strategy.

13 “(2) MATTERS TO BE ADDRESSED.—At a min-  
14 imum, the report required by this section shall ad-  
15 dress—

16 “(A) the revenue generated by each prod-  
17 uct and service developed through the Innova-  
18 tion Strategy and the costs of developing and  
19 offering each such product and service for the  
20 most recent fiscal year;

21 “(B) the total sales volume and revenue  
22 generated by each product and service on a  
23 monthly basis for the preceding year;

24 “(C) trends in the markets filled by each  
25 product and service;

1           “(D) products and services identified in  
2           the Innovation Strategy that are to be discon-  
3           tinued, the date on which the discontinuance  
4           will occur, and the reasons for the discontinu-  
5           ance;

6           “(E) alterations in products and services  
7           identified in the Innovation Strategy that will  
8           be made to meet changing market conditions,  
9           and an explanation of how these alterations will  
10          ensure the success of the products and services;  
11          and

12          “(F) the performance of the Innovation  
13          Strategy according to the metrics identified in  
14          subsection (d)(2)(G).

15          “(f) COMPTROLLER GENERAL.—

16               “(1) IN GENERAL.—The Comptroller General  
17               shall conduct a study on the implementation of the  
18               innovation strategy not later than 4 years after the  
19               date of enactment of this section.

20               “(2) CONTENTS.—At a minimum, the Comp-  
21               troller General shall assess the effectiveness of the  
22               Postal Service in identifying, developing, and selling  
23               innovative postal and nonpostal products and serv-  
24               ices. The study shall also include—



1           “(A) an audit of the costs of developing  
2           each innovative postal and nonpostal product  
3           and service developed or offered by the Postal  
4           Service during the period beginning on the date  
5           of enactment of this section and ending 4 years  
6           after such date;

7           “(B) the sales volume of each such product  
8           and service;

9           “(C) the revenues and profits generated by  
10          each such product and service; and

11          “(D) the likelihood of continued success of  
12          each such product and service.

13          “(3) SUBMISSION.—The results of the study re-  
14          quired under this subsection shall be submitted to  
15          the Committee on Homeland Security and Govern-  
16          mental Affairs of the Senate and the Committee on  
17          Oversight and Government Reform of the House of  
18          Representatives.”.

19          (b) CLERICAL AMENDMENT.—The table of sections  
20          at the beginning of chapter 2 is amended by adding at  
21          the end the following:

          “209. USPS innovation officer and accountability.”.

22   **SEC. 102. AUTHORITY TO OFFER NONPOSTAL SERVICES.**

23          (a) SPECIFIC POWER.—Section 404(a) is amended—

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

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

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

4           “(9) to provide nonpostal services in accordance  
5       with subsection (e).”.

6       (b) NONPOSTAL SERVICES.—Section 404(e) is  
7       amended to read as follows:

8           “(e)(1) The Postal Service may provide nonpostal  
9       services that use the processing, transportation, delivery,  
10      retail network, technology, or other resources of the Postal  
11      Service in a manner consistent with the public interest.

12          “(2) At least 90 days before offering new nonpostal  
13      services, the Postal Service shall request an advisory opin-  
14      ion from the Postal Regulatory Commission that evaluates  
15      the extent to which the provision of such nonpostal serv-  
16      ices—

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

20           “(B) would be consistent with the public inter-  
21      est.

22          “(3) Within 45 days after receiving the request under  
23      paragraph (2), the Postal Regulatory Commission—

24           “(A) shall issue its advisory opinion to the  
25      Postal Service; and

1 “(B) shall transmit a copy of such opinion, to-  
2 gether with the original request, to—

3 “(i) the Committee on Oversight and Gov-  
4 ernment Reform of the House of Representa-  
5 tives; and

6 “(ii) the Committee on Homeland Security  
7 and Governmental Affairs of the Senate.

8 “(4) For purposes of this title, the term ‘nonpostal  
9 services’ means services and products other than postal  
10 services as defined in section 102(5), including—

11 “(A) check-cashing services;

12 “(B) new technology and media services;

13 “(C) warehousing and logistics;

14 “(D) facility leasing; and

15 “(E) public Internet access services.”.

16 (c) CO-LOCATION OF POST OFFICES AT RETAIL FA-  
17 CILITIES.—

18 (1) IN GENERAL.—Not later than 90 days after  
19 the date of enactment of this Act, the Postmaster  
20 General shall submit a plan on the co-location of  
21 post offices at retail facilities to—

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

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

4 (2) CONTENTS.—The plan under paragraph (1)  
5 shall—

6 (A) be developed in consultation with the  
7 Postal Regulatory Commission;

8 (B) provide for an increase in the co-locat-  
9 tion of post offices at retail facilities to enable  
10 the United States Postal Service to offer its  
11 products and services at those locations;

12 (C) consider the impact of any co-location  
13 decisions on small communities and rural areas  
14 before taking actions to co-locate post offices;  
15 and

16 (D) ensure that—

17 (i) service shall continue in small com-  
18 munities and rural areas after implementa-  
19 tion of the plan;

20 (ii) the Postal Service solicits commu-  
21 nity input before making decisions about  
22 co-location;

23 (iii) the quality of products and serv-  
24 ices offered in co-located facilities are con-  
25 sistent with those offered in post offices;

1 (iv) products and services provided in  
2 co-located facilities will be provided  
3 through the employment of employees of  
4 the Postal Service, to the same extent as  
5 if such products and services had not been  
6 relocated from a post office; and

7 (v) co-location shall be permitted only  
8 to the extent that the Postal Service deter-  
9 mines (and the Postal Regulatory Commis-  
10 sion concurs) that net revenues will in-  
11 crease with respect to the operations of the  
12 post office or post offices so co-located.

13 (3) REPORTING REQUIREMENT.—The Post-  
14 master General shall submit a biennial report on the  
15 progress of implementing the plan on the co-location  
16 of post offices at retail facilities under this sub-  
17 section to—

18 (A) the Committee on Homeland Security  
19 and Governmental Affairs of the Senate; and

20 (B) the Committee on Oversight and Gov-  
21 ernment Reform of the House of Representa-  
22 tives.

23 (4) DEFINITIONS.—For purposes of this sub-  
24 section—

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

7 (B) the term “United States”, as used in  
8 a geographical sense, includes the District of  
9 Columbia, the Commonwealth of Puerto Rico,  
10 the United States Virgin Islands, Guam, Amer-  
11 ican Samoa, the Commonwealth of the North-  
12 ern Mariana Islands, and any other territory or  
13 possession of the United States.

14 **SEC. 103. REQUIREMENT THAT MARKET-DOMINANT PROD-**  
15 **UCTS COVER ATTRIBUTABLE COSTS.**

16 (a) REPEAL.—Paragraph (2) of section 3622(c) is re-  
17 pealed.

18 (b) EACH CLASS TO BEAR ATTRIBUTABLE COSTS.—  
19 Section 3622(d)(1) is amended—

20 (1) by redesignating subparagraphs (A) through  
21 (E) as subparagraphs (B) through (F);

22 (2) by inserting before subparagraph (B) (as so  
23 redesignated by paragraph (1)) the following:

24 “(A) require that each class or type of mail  
25 service shall bear the direct and indirect postal

1 costs attributable to such class or type through  
2 reliably identified causal relationships plus that  
3 portion of all other costs of the Postal Service  
4 reasonably assignable to such class or type;”;  
5 and

6 (3) in subparagraph (B) (as so redesignated by  
7 paragraph (1)) by inserting “, excluding changes re-  
8 quired to satisfy subparagraph (A),” before “to be  
9 set”.

10 **SEC. 104. POSTAL RATE REFORM.**

11 (a) IN GENERAL.—Section 3622 is amended—

12 (1) in subsection (c)—

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

15 (B) by redesignating paragraph (14) as  
16 paragraph (15); and

17 (C) by inserting after paragraph (13) the  
18 following:

19 “(14) the value to the Postal Service of having  
20 pricing flexibility that would apply a price cap across  
21 all classes of market dominant products in compari-  
22 son to a class-based price cap; and”; and

23 (2) in subsection (d)—

24 (A) in paragraph (1)—

1 (i) by redesignating subparagraphs  
2 (B) through (E) as subparagraphs (D)  
3 through (G), respectively; and

4 (ii) by inserting after subparagraph  
5 (A) the following:

6 “(B) subject to the limitation under sub-  
7 paragraph (A), establish postal rates to fulfill  
8 the requirement that each market-dominant  
9 class, product, and type of mail service (except  
10 for an experimental product or service) bear the  
11 direct and indirect postal costs attributable to  
12 such class, product, or type through reliably  
13 identified causal relationships plus that portion  
14 of all other costs of the Postal Service reason-  
15 ably assignable to such class, product, or type;

16 “(C) establish postal rates for each group  
17 of functionally equivalent agreements between  
18 the Postal Service and users of the mail that—

19 “(i) cover attributable cost;

20 “(ii) improve the net financial position  
21 of the Postal Service; and

22 “(iii) do not cause unreasonable dis-  
23 ruption in the marketplace, consistent with  
24 subsection (c)(10)(B);



1 for purposes of this subparagraph, a group of  
2 functionally equivalent agreements shall consist  
3 of all service agreements that are functionally  
4 equivalent to each other within the same mar-  
5 ket-dominant product, but shall not include  
6 agreements within an experimental product;”;

7 (B) in paragraph (3), by striking “sub-  
8 section (c),” and inserting “subsection (c) and  
9 the provisions of section 104 of the Innovate To  
10 Deliver Act of 2013,”; and

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

12 “(4) PRC STUDY.—

13 “(A) IN GENERAL.—Within 90 days after  
14 the end of the first fiscal year beginning after  
15 the date of enactment of the Postal Reform Act  
16 of 2013, the Postal Regulatory Commission  
17 shall complete a study to determine the quan-  
18 titative impact of the Postal Service’s excess ca-  
19 pacity on the direct and indirect postal costs at-  
20 tributable to any class that bears less than 100  
21 percent of its costs attributable (as described in  
22 paragraph (1)(B)), according to the most recent  
23 annual determination of the Postal Regulatory  
24 Commission under section 3653.

1           “(B) REQUIREMENTS.—The study re-  
2           quired under subparagraph (A) shall—

3                   “(i) be conducted pursuant to regula-  
4                   tions that the Postal Regulatory Commis-  
5                   sion shall prescribe within 90 days after  
6                   the date of enactment of the Postal Re-  
7                   form Act of 2013, taking into account ex-  
8                   isting regulations for proceedings to im-  
9                   prove the quality, accuracy, or complete-  
10                  ness of ratemaking information under sec-  
11                  tion 3652(e)(2) in effect on such date; and

12                   “(ii) for any year in which any class  
13                   of mail bears less than 100 percent of its  
14                   costs attributable (as described in para-  
15                   graph (1)(B)), be updated annually by the  
16                   Postal Service and included in its annual  
17                   report to the Commission under section  
18                   3652, using such methodologies as the  
19                   Commission shall by regulation prescribe.

20           “(5) ADDITIONAL RATES.—Starting not earlier  
21           than 12 months and not later than 18 months after  
22           the date on which the first study described in para-  
23           graph (4) is completed, and at least once in each  
24           subsequent 12-month period, the Postal Service shall  
25           establish postal rates for each loss-making class of

1 mail to eliminate such losses (other than those  
2 caused by the Postal Service's excess capacity) by  
3 exhausting all unused rate authority as well as maxi-  
4 mizing incentives to reduce costs and increase effi-  
5 ciency, subject to the following:

6           “(A) The term ‘loss-making’, as used in  
7 this paragraph with respect to a class of mail,  
8 means a class of mail that bears less than 100  
9 percent of its costs attributable (as described in  
10 paragraph (1)(B)), according to the most recent  
11 annual determination of the Postal Regulatory  
12 Commission under section 3653, adjusted to ac-  
13 count for the quantitative effect of excess ca-  
14 pacity on the costs attributable of the class.

15           “(B) Unused rate authority shall be annu-  
16 ally increased by 2 percentage points for each  
17 class of mail that bears less than 90 percent of  
18 its costs attributable (as described in paragraph  
19 (1)(B)), according to the most recent annual  
20 determination of the Postal Regulatory Com-  
21 mission under section 3653, adjusted to account  
22 for the quantitative effect of excess capacity on  
23 the costs attributable of the class, with such in-  
24 crease in unused rate authority to take effect

1           30 days after the date that the Commission  
2           issues such determination.”.

3       (b) EXCEPTION.—Section 3622(d) is amended by  
4 adding after paragraph (5) (as added by subsection  
5 (a)(2)(C)) the following:

6           “(6) EXCEPTION.—The requirements of para-  
7 graph (1)(B) shall not apply to a market-dominant  
8 product for which a substantial portion of the prod-  
9 uct’s mail volume consists of inbound international  
10 mail with terminal dues rates determined by the  
11 Universal Postal Union (and not by bilateral agree-  
12 ments or other arrangements).”.

13 **SEC. 105. ENHANCED PRODUCT INNOVATION.**

14       (a) DOLLAR-AMOUNT LIMITATION RELATING TO  
15 MARKET TESTS OF EXPERIMENTAL PRODUCTS.—Section  
16 3641(e)(1) is amended by striking “\$10,000,000” and in-  
17 serting “\$50,000,000”.

18       (b) DOLLAR-AMOUNT LIMITATION RELATING TO EX-  
19 EMPTION AUTHORITY.—Section 3641(e)(2) is amended by  
20 striking “\$50,000,000” and inserting “\$100,000,000”.

21 **SEC. 106. AUTHORITY TO SHIP BEER, WINE, AND DISTILLED**  
22 **SPIRITS.**

23       (a) MAILABILITY.—

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

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

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

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

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

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

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

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

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

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

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

9 “(ii) the duly authorized agent of whom—  
10 “(I) is at least 21 years of age; and  
11 “(II) provides a signature and pre-  
12 sents a valid, government-issued photo  
13 identification upon delivery.

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

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

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

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

23 **SEC. 107. REPEAL OF UNIFORM RATE FOR BOOKS, FILMS,**  
24 **AND OTHER MATERIALS.**

25 (a) IN GENERAL.—Section 3683 is repealed.

1 (b) CLERICAL AMENDMENT.—The table of sections  
2 at the beginning of chapter 36 is amended by repealing  
3 the item relating to section 3683.

4 **Subtitle B—Postal Service**  
5 **Management**

6 **SEC. 108. USPS BALANCED BUDGET MINIMUM REQUIRE-**  
7 **MENT.**

8 Section 404(b) is amended—

9 (1) by striking “(b)” and inserting “(b)(1)”;  
10 and

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

12 “(2) Notwithstanding subparagraphs (B) or (E) of  
13 section 3622(d)(1), within 180 days after the date of en-  
14 actment of this paragraph, the Governors shall ensure that  
15 the rates and fees charged for market dominant products,  
16 and the level and quality of service provided by the Postal  
17 Service, shall be adjusted in accordance with current law  
18 so that the total revenues received by the Postal Service,  
19 in fiscal year 2014 and each subsequent fiscal year, from  
20 all sources are at least equal to the total costs incurred  
21 in the provision of postal services, except that the Gov-  
22 ernors shall continue to provide all public services for  
23 which appropriations are made to the Postal Service under  
24 section 2401.

1       “(3) After the end of the 2-year period beginning on  
2   October 1, 2013, for any fiscal year that the Postal Serv-  
3   ice is not in compliance with paragraph (2), the Governors  
4   shall not receive a salary or compensation of any kind for  
5   the following fiscal year, but shall be reimbursed for travel  
6   and reasonable expenses incurred in attending meetings  
7   of the Board.”.

8   **SEC. 109. REPORTING REQUIREMENT FOR BOARD OF GOV-**  
9                   **ERNORS AND POSTAL REGULATORY COMMIS-**  
10                  **SIONERS.**

11       (a) BOARD OF GOVERNORS.—Section 202(a) is  
12   amended by adding at the end the following:

13               “(3) Not later than 60 days after the end of  
14       each fiscal year, the Board of Governors shall sub-  
15       mit an itemized report describing all travel and re-  
16       imbursable business travel expenses paid to each  
17       Governor when performing Board duties to the Com-  
18       mittee on Oversight and Government Reform of the  
19       House of Representatives and the Committee on  
20       Homeland Security and Governmental Affairs of the  
21       Senate. The report submitted under this paragraph  
22       shall include a detailed justification for any travel or  
23       reimbursable business travel expense that deviates  
24       from the Board’s travel and reimbursable business



1 travel expense policies and guidelines under para-  
2 graph (1).”.

3 (b) ADMINISTRATION.—Section 504(d) is amended—

4 (1) by striking “(d)” and inserting “(d)(1)”;  
5 and

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

7 “(2) Not later than 60 days after the end of  
8 each fiscal year, the Postal Regulatory Commis-  
9 sioners shall submit an itemized report describing all  
10 travel and reimbursable business travel expenses  
11 paid to each Commissioner, including the Chairman,  
12 when performing regulatory duties to the Committee  
13 on Oversight and Government Reform of the House  
14 of Representatives and the Committee on Homeland  
15 Security and Governmental Affairs of the Senate.  
16 The report submitted under this paragraph shall in-  
17 clude a detailed justification for any travel or reim-  
18 bursable business travel expense that deviates from  
19 the Commission’s travel and reimbursable business  
20 travel expense policies and guidelines.”.

21 **SEC. 110. RESTRICTIONS ON POSTAL SERVICE EXECUTIVE**  
22 **COMPENSATION.**

23 (a) LIMITATIONS ON COMPENSATION.—Section 1003  
24 is amended—

1 (1) in subsection (a), by striking the last sen-  
2 tence; and

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

4 “(e) LIMITATIONS ON COMPENSATION.—

5 “(1) RATES OF BASIC PAY.—

6 “(A) IN GENERAL.—Subject to subpara-  
7 graph (B), an officer or employee of the Postal  
8 Service may not be paid at a rate of basic pay  
9 that exceeds the rate of basic pay for level II  
10 of the Executive Schedule under section 5313  
11 of title 5.

12 “(B) VERY SENIOR EXECUTIVES.—Not  
13 more than 6 officers or employees of the Postal  
14 Service that are in very senior executive posi-  
15 tions, as determined by the Board of Governors,  
16 may be paid at a rate of basic pay that does not  
17 exceed the rate of basic pay for level I of the  
18 Executive Schedule under section 5312 of title  
19 5.

20 “(2) BENEFITS.—An officer or employee of the  
21 Postal Service who is in a critical senior executive or  
22 equivalent position, as designated under section  
23 3686(e), may not receive fringe benefits (within the  
24 meaning given that term under section 1005(f)) that  
25 are greater than the fringe benefits received by su-

1       pervisory and other managerial personnel who are  
2       not subject to collective-bargaining agreements  
3       under chapter 12.”.

4       (b) LIMITATION ON BONUS AUTHORITY.—Section  
5       3686 is amended—

6           (1) in subsection (a), by striking “The Postal  
7       Service” and inserting “Subject to subsection (f),  
8       the Postal Service”; and

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

10       “(f) LIMITATION ON BONUS AUTHORITY.—

11           “(1) DETERMINATION.—Not later than 60 days  
12       after the end of fiscal year 2014 and each fiscal year  
13       thereafter, the Office of Management and Budget  
14       shall determine whether the Postal Service has, with  
15       respect to such fiscal year, implemented the meas-  
16       ures needed to achieve long-term solvency and bal-  
17       anced budgeting, as required under paragraphs (2)  
18       and (3) of section 404(b). In order to make such de-  
19       termination, the Office of Management and Budget  
20       shall use the information provided under section  
21       2009.

22           “(2) LIMITATION.—The Postal Service may not  
23       provide a bonus or other reward under this section  
24       to an officer or employee of the Postal service in a  
25       critical senior executive or equivalent position, as

1 designated under subsection (c), during a covered  
2 year.

3 “(3) DEFINITION.—In this subsection, the term  
4 ‘covered year’ means the fiscal year following a fiscal  
5 year with respect to which the Office of Management  
6 and Budget determines under paragraph (1) that  
7 the Postal Service has not implemented the meas-  
8 ures needed to achieve long-term solvency and bal-  
9 anced budgeting, as required under paragraphs (2)  
10 and (3) of section 404(b).”.

11 (c) EFFECTIVE DATE; APPLICABILITY.—The amend-  
12 ments made by subsections (a) through (c) shall—

13 (1) take effect on the date of enactment of this  
14 Act; and

15 (2) apply to any contract entered or modified  
16 by the Postal Service on or after the date of enact-  
17 ment of this Act.

18 (d) SUNSET.—Effective 2 years after the date of en-  
19 actment of this Act—

20 (1) section 1003 is amended—

21 (A) in subsection (a), by adding at the end  
22 the following: “No officer or employee shall be  
23 paid compensation at a rate in excess of the  
24 rate for level I of the Executive Schedule under  
25 section 5312 of title 5.”; and

1 (B) by striking subsection (e); and

2 (2) section 3686 is amended—

3 (A) in subsection (a), by striking “Subject  
4 to subsection (f), the Postal Service” and in-  
5 serting “The Postal Service”; and

6 (B) by striking subsection (f).

7 **SEC. 111. INVESTMENT OF COMPETITIVE PRODUCT MON-**  
8 **EYS.**

9 Section 2003 is amended—

10 (1) by redesignating subsections (d) through (h)  
11 as subsections (e) through (i), respectively; and

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

14 “(d) Notwithstanding any other provision of this sec-  
15 tion, if the Postal Service determines that the moneys of  
16 the Competitive Products Fund are in excess of current  
17 needs, it may invest such amounts as it considers appro-  
18 priate in accordance with regulations which the Secretary  
19 of the Treasury shall prescribe within 180 days after the  
20 date of enactment of this subsection.”.

21 **SEC. 112. RIGHT OF APPEAL TO MERIT SYSTEMS PROTEC-**  
22 **TION BOARD.**

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

1 “(I) is an officer or employee of  
2 the Postal Service who—

3 “(aa) is not represented by a  
4 bargaining representative recog-  
5 nized under section 1203; and

6 “(bb) is in a supervisory,  
7 professional, technical, clerical,  
8 administrative, or managerial po-  
9 sition covered by the Executive  
10 and Administrative Schedule  
11 (EAS); and”.

12 **TITLE II—POSTAL SERVICE**  
13 **WORKFORCE REALIGNMENT**  
14 **AND RIGHT-SIZING**

15 **SEC. 201. SEPARATE NORMAL-COST PERCENTAGE RECAL-**  
16 **CULATION OF FEDERAL EMPLOYEES RETIRE-**  
17 **MENT SYSTEM.**

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

20 (1) in subparagraph (A)—

21 (A) by striking “subparagraph (B))” and  
22 inserting “subparagraph (B) or (C))”; and

23 (B) by striking “and” at the end;

24 (2) in subparagraph (B), by striking the period  
25 and inserting “; and”; and

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

2 “(C) the product of—

3 “(i) the normal-cost percentage, as  
4 determined for employees of the United  
5 States Postal Service (and the Postal Reg-  
6 ulatory Commission), multiplied by

7 “(ii) the aggregate amount of basic  
8 pay payable by the United States Postal  
9 Service (and the Postal Regulatory Com-  
10 mission), for the period involved, to its em-  
11 ployees.”.

12 (b) EFFECTIVE DATE.—The amendments made by  
13 subsection (a) shall be carried out as soon as practicable,  
14 except that contributions shall be set in accordance with  
15 such amendments not later than the first applicable pay  
16 period beginning in the first fiscal year beginning at least  
17 180 days after the date of the enactment of this Act.

18 **SEC. 202. TREATMENT OF SURPLUS CONTRIBUTIONS TO**  
19 **FEDERAL EMPLOYEES RETIREMENT SYSTEM.**

20 (a) IN GENERAL.—Section 8423(b) of title 5, United  
21 States Code, is amended by adding at the end the fol-  
22 lowing:

23 “(6)(A) If, for any fiscal year to which this paragraph  
24 applies, the amount determined under paragraph (1)(B)  
25 is less than zero (hereinafter in this paragraph referred

1 to as ‘excess postal contributions to FERS’), such amount  
2 shall be treated in accordance with the following:

3 “(i) In the case of the first fiscal year to which  
4 this paragraph applies and for which excess postal  
5 contributions to FERS are determined, the amount  
6 of such excess contributions shall be transferred by  
7 the Secretary of the Treasury to such account as the  
8 Secretary considers appropriate so that such amount  
9 shall be used for the payment of obligations issued  
10 by the United States Postal Service under section  
11 2005 of title 39.

12 “(ii) In the case of any subsequent fiscal year  
13 to which this paragraph applies and for which excess  
14 postal contributions to FERS are determined, the  
15 amount of such excess contributions shall be trans-  
16 ferred by the Secretary of the Treasury to the ac-  
17 count to which are credited any Government con-  
18 tributions which are made by the United States  
19 Postal Service under section 8334(a)(1)(B) (or  
20 which would be made, but for clause (ii) thereof).

21 “(B) This paragraph applies to the fiscal year last  
22 ending before the date of the enactment of this paragraph  
23 and each fiscal year thereafter.

24 “(C) In the case of any transfer under subparagraph  
25 (A)(ii) for a fiscal year corresponding to a fiscal year for



1 which a determination of Postal surplus or supplemental  
2 liability is scheduled to be made under section 8348(h),  
3 the transfer under subparagraph (A)(ii) shall be made be-  
4 fore such determination under section 8348(h) is made.”.

5 (b) CONFORMING AMENDMENT.—Section  
6 8348(h)(1)(B)(iii) of title 5, United States Code, is  
7 amended by striking “principles.” and inserting “prin-  
8 ciples, including any amounts described in section  
9 8423(b)(6)(A)(ii).”.

10 **SEC. 203. SENSE OF CONGRESS.**

11 It is the sense of Congress that the United States  
12 Postal Service should use its available authority as it  
13 deems necessary to provide early retirement or separation  
14 incentives to eligible Postal Service employees.

15 **SEC. 204. CONTRIBUTIONS TO THRIFT SAVINGS FUND OF**  
16 **VOLUNTARY SEPARATION INCENTIVE PAY-**  
17 **MENTS.**

18 (a) Section 8351(b)(2) of title 5, United States Code,  
19 is amended—

20 (1) by striking the matter before subparagraph  
21 (C) and inserting the following:

22 “(2)(A) An employee or Member may contribute to  
23 the Thrift Savings Fund in any pay period any amount  
24 of such employee’s or Member’s basic pay for such pay  
25 period.

1 “(B) An employee may contribute (by direct transfer  
2 to the Fund) any part of any voluntary separation incen-  
3 tive payment that the employee receives under section  
4 3523.”; and

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

6 “(D) Notwithstanding section 2105(e), in this para-  
7 graph, the term ‘employee’ includes an employee of the  
8 United States Postal Service or the Postal Regulatory  
9 Commission.”.

10 (b) Section 8432(a) of title 5, United States Code,  
11 is amended—

12 (1) by redesignating paragraph (3) as (4);

13 (2) by striking the matter before paragraph (4)  
14 (as so redesignated by paragraph (1)) and inserting  
15 the following:

16 “(a)(1) An employee or Member may contribute to  
17 the Thrift Savings Fund in any pay period, pursuant to  
18 an election under subsection (b), any amount of such em-  
19 ployee’s or Member’s basic pay for such pay period.

20 “(2) An employee may contribute (by direct transfer  
21 to the Fund) any part of any voluntary separation incen-  
22 tive payment that the employee receives under section  
23 3523.

24 “(3) Contributions made under paragraph (1) pursu-  
25 ant to an election under subsection (b) shall, with respect

1 to each pay period for which such election remains in ef-  
2 fect, be made in accordance with a program of regular  
3 contributions provided in regulations prescribed by the  
4 Executive Director.”; and

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

6 “(5) Notwithstanding section 2105(e), in this sub-  
7 section the term ‘employee’ includes an employee of the  
8 United States Postal Service or of the Postal Regulatory  
9 Commission.”.

10 (c) REGULATIONS.—The Executive Director of the  
11 Federal Retirement Thrift Investment Board shall pro-  
12 mulgate regulations to carry out the amendments made  
13 by this section.

14 **SEC. 205. SERVICE CREDIT CONTRIBUTIONS OF VOL-**  
15 **UNTARY SEPARATION INCENTIVE PAYMENTS.**

16 (a) VOLUNTARY SEPARATION INCENTIVE PAY-  
17 MENTS.—The Postal Service may provide voluntary sepa-  
18 ration incentive payments to employees of the Postal Serv-  
19 ice who voluntarily separate from service before October  
20 1, 2016 (including payments to employees who retire  
21 under section 8336(d)(2) or 8414(b)(1)(B) of title 5,  
22 United States Code, before October 1, 2016), which may  
23 not exceed the maximum amount provided under section  
24 3523(b)(3)(B) of title 5, United States Code, for any em-  
25 ployee.

1 (b) ADDITIONAL SERVICE CREDIT.—

2 (1) CIVIL SERVICE RETIREMENT SYSTEM.—Sec-  
3 tion 8332 of title 5, United States Code, is amended  
4 by adding at the end the following:

5 “(p)(1)(A) For an employee of the United States  
6 Postal Service who is covered under this subchapter and  
7 voluntarily separates from service before October 1, 2016,  
8 the Office, if so directed by the United States Postal Serv-  
9 ice, shall add not more than 1 year to the total creditable  
10 service of the employee for purposes of determining enti-  
11 tlement to and computing the amount of an annuity under  
12 this subchapter (except for a disability annuity under sec-  
13 tion 8337).

14 “(B) An employee who receives additional creditable  
15 service under this paragraph may not receive a voluntary  
16 separation incentive payment from the United States  
17 Postal Service.

18 “(2) The United States Postal Service shall ensure  
19 that the average actuarial present value of the additional  
20 liability of the United States Postal Service to the Fund  
21 resulting from additional creditable service provided under  
22 paragraph (1) or section 8411(m)(1) is not more than  
23 \$25,000 per employee provided additional creditable serv-  
24 ice under paragraph (1) or section 8411(m)(1).

1 “(3)(A) Subject to subparagraph (B), and notwith-  
2 standing any other provision of law, no deduction, deposit,  
3 or contribution shall be required for service credited under  
4 this subsection.

5 “(B) The actuarial present value of the additional li-  
6 ability of the United States Postal Service to the Fund  
7 resulting from this subsection shall be included in the  
8 amount calculated under section 8348(h)(1)(A).”.

9 (2) FEDERAL EMPLOYEES RETIREMENT SYS-  
10 TEM.—Section 8411 of title 5, United States Code,  
11 is amended by adding at the end the following:

12 “(m)(1)(A) For an employee of the United States  
13 Postal Service who is covered under this chapter and vol-  
14 untarily separates from service before October 1, 2016,  
15 the Office, if so directed by the United States Postal Serv-  
16 ice, shall add not more than 2 years to the total creditable  
17 service of the employee for purposes of determining enti-  
18 tlement to and computing the amount of an annuity under  
19 this chapter (except for a disability annuity under sub-  
20 chapter V of that chapter).

21 “(B) An employee who receives additional creditable  
22 service under this paragraph may not receive a voluntary  
23 separation incentive payment from the United States  
24 Postal Service.

1       “(2) The United States Postal Service shall ensure  
2 that the average actuarial present value of the additional  
3 liability of the United States Postal Service to the Fund  
4 resulting from additional creditable service provided under  
5 paragraph (1) or section 8332(p)(1) is not more than  
6 \$25,000 per employee provided additional creditable serv-  
7 ice under paragraph (1) or section 8332(p)(1).

8       “(3)(A) Subject to subparagraph (B), and notwith-  
9 standing any other provision of law, no deduction, deposit,  
10 or contribution shall be required for service credited under  
11 this subsection.

12       “(B) The actuarial present value of the additional li-  
13 ability of the United States Postal Service to the Fund  
14 resulting from this subsection shall be included in the  
15 amount calculated under section 8423(b)(1)(B).”.

16       (c) GOALS.—

17           (1) IN GENERAL.—The Postal Service shall  
18 offer incentives for voluntary separation under this  
19 section and the amendments made by this section as  
20 a means of ensuring that the size and cost of the  
21 workforce of the Postal Service is appropriate to the  
22 work required of the Postal Service, including con-  
23 sideration of—

24                   (A) the closure and consolidation of postal  
25 facilities;

1 (B) the ability to operate existing postal  
2 facilities more efficiently, including by reducing  
3 the size or scope of operations of postal facili-  
4 ties in lieu of closing postal facilities; and

5 (C) the number of employees eligible, or  
6 projected in the near-term to be eligible, for re-  
7 tirement, including early retirement.

8 (2) DEFINITION.—In this subsection, the term  
9 “career employee of the Postal Service” means an  
10 employee of the Postal Service—

11 (A) whose appointment is not for a limited  
12 period; and

13 (B) who is eligible for benefits, including  
14 retirement coverage under chapter 83 or 84 of  
15 title 5, United States Code.

16 **SEC. 206. MODIFICATION OF PREPAYMENT SCHEDULE RE-**  
17 **LATING TO POSTAL SERVICE RETIREE**  
18 **HEALTH BENEFITS FUND.**

19 (a) CONTRIBUTIONS.—Section 8906(g)(2)(A) of title  
20 5, United States Code, is amended by striking “through  
21 September 30, 2016, be paid by the United States Postal  
22 Service, and thereafter shall” and inserting “after the date  
23 of enactment of the Innovate To Deliver Act of 2013”.

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

4 (1) by striking paragraph (2) and inserting the  
5 following:

6 “(2)(A) Not later than 180 days after the date of  
7 enactment of the Innovate To Deliver Act of 2013, the  
8 Office shall compute, and by June 30 of each succeeding  
9 year, the Office shall recompute, a schedule including a  
10 series of annual installments which provide for the liquida-  
11 tion of the amount described under subparagraph (B) (re-  
12 gardless of whether the amount is a liability or surplus)  
13 by September 30, 2053, 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 (2) in paragraph (3)—

2 (A) in subparagraph (A)—

3 (i) in clause (iii), by adding “and” at  
4 the end;

5 (ii) in clause (iv), by striking the  
6 semicolon at the end and inserting a pe-  
7 riod; and

8 (iii) by striking clauses (v) through  
9 (x); and

10 (B) in subparagraph (B), by striking  
11 “2017” and inserting “2016”;

12 (3) by striking paragraph (4) and inserting the  
13 following:

14 “(4) Computations under this subsection shall be  
15 based on—

16 “(A) economic and actuarial methods and as-  
17 sumptions consistent with the methods and assump-  
18 tions used in determining the Postal surplus or sup-  
19 plemental liability under section 8348(h); and

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

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

24 “(7) In this subsection, the term ‘Postal Service actu-  
25 arial liability’ means the difference between—

1           “(A) the net present value of future payments  
2       required under section 8906(g)(2)(A) for current  
3       and future United States Postal Service annuitants;  
4       and

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

8       (c) UNPAID OBLIGATIONS OF THE POSTAL SERV-  
9       ICE.—Any obligation of the Postal Service under section  
10      8909a(d)(3)(A) of title 5, United States Code, as in effect  
11      on the day before the date of enactment of this Act, that  
12      remains unpaid as of such date of enactment shall be in-  
13      cluded in the recomputation requested in section  
14      8909a(d)(2) of such title (as amended by subsection (b)  
15      of this section).

16      (d) TECHNICAL AND CONFORMING AMENDMENTS.—

17           (1) HEADING.—The heading of section 8909a  
18      of title 5, United States Code, is amended by strik-  
19      ing “Benefit” and inserting “Benefits”.

20           (2) TABLE OF SECTIONS.—The table of sections  
21      at the beginning of chapter 89 of such title is  
22      amended by striking the item relating to section  
23      8909a and inserting the following:

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

1   **SEC. 207. STUDY ON USPS WORKFORCE REALIGNMENT AND**  
2                   **RIGHT-SIZING OPTIONS.**

3           (a) IN GENERAL.—Not later than 1 year after the  
4   date of enactment of this Act, the Comptroller General  
5   shall submit to the Committee on Oversight and Govern-  
6   ment Reform of the House of Representatives and the  
7   Committee on Homeland Security and Governmental Af-  
8   fairs of the Senate a report on the workforce reduction  
9   or realignment methods used by the United States Postal  
10   Service to align its workforce with its needs.

11          (b) CONTENTS OF THE REPORT.—The report re-  
12   quired under subsection (a) shall include the following:

13               (1) The projected workforce needs of the Postal  
14   Service over the next 5 fiscal years, given the cur-  
15   rent mail volumes and the demand for Postal serv-  
16   ices.

17               (2) Possible options for allowing Postal Service  
18   employees who are eligible for voluntary early retire-  
19   ment to deposit voluntary separation incentive pay-  
20   ments to obtain service credit or to otherwise allow  
21   such payments to be credited in the computation of  
22   retirement annuity benefits.

23               (3) The terms and conditions for the voluntary  
24   separation incentive payments offered under section  
25   205.

1           (4) The number of employees in each job cat-  
2           egory and in each postal service area to whom the  
3           Postal Service has offered an incentive for voluntary  
4           separation, the number of offers of incentives for  
5           voluntary separation that have been accepted, the  
6           number of offers of incentives for voluntary separa-  
7           tion that remain pending, and the number of em-  
8           ployees in each job category and in each postal serv-  
9           ice area projected to separate from service during  
10          each quarter through the end of the first quarter of  
11          2016.

12          (5) The number of employees in each job cat-  
13          egory who are covered under chapter 83 or 84 of  
14          title 5, United States Code, and who have accepted  
15          offers of incentives for voluntary separation, includ-  
16          ing the number of employees covered under each  
17          chapter who voluntarily separated under subsection  
18          (a) of section 205 or the authority under subsection  
19          (b) of section 205.

20          (6) The total savings and work hour reductions  
21          by job category and postal service area that have  
22          been realized by the Postal Service as of the date of  
23          the report and that are projected to be realized dur-  
24          ing each of the next 3 years as a result of the offers  
25          of incentives for voluntary separation.

1           (7) The total expenditures made by the Postal  
2       Service to provide incentives for voluntary separa-  
3       tion.

4           (8) Any training, retraining, or hiring that may  
5       be required by the authority the Postal Service is  
6       granted under this Act to develop and offer for sale  
7       nonpostal products and services.

8       **SEC. 208. APPLICABILITY OF PROVISIONS RELATING TO RE-**  
9                               **DUCTIONS IN FORCE.**

10       Section 1005 is amended by adding at the end the  
11       following:

12       “(g)(1) Except as otherwise provided by any collective  
13       bargaining agreement entered into under chapter 12, the  
14       provisions of subchapter I of chapter 35 of title 5 and the  
15       regulations implementing such subchapter, shall apply to  
16       employees of the Postal Service who hold positions that  
17       are within bargaining units under section 1202.

18       “(2) Before using the authority provided in para-  
19       graph (1), the Postal Service shall demonstrate to the Of-  
20       fice of Personnel Management how it will comply with sec-  
21       tion 3502(a)(4) of title 5.”.

22       **SEC. 209. ENHANCED REPORTING ON FACILITY NETWORK**  
23                               **INITIATIVES.**

24       Section 404(d) is amended by adding at the end the  
25       following:

1       “(7)(A) The Postmaster General shall submit to the  
2 Committee on Homeland Security and Governmental Af-  
3 fairs of the Senate and the Committee on Oversight and  
4 Government Reform of the House of Representatives and  
5 the Postal Regulatory Commission a report that details  
6 plans to close or suspend a Postal Service retail or proc-  
7 essing facility during the period to which such report per-  
8 tains. The first such report shall be submitted not later  
9 than 120 days after the date of enactment of this para-  
10 graph. Reports shall be submitted semiannually there-  
11 after.

12       “(B) Each report submitted by the Postal Service  
13 under subparagraph (A) shall address, at a minimum—

14               “(i) the specific retail and processing facilities  
15       the Postal Service plans to suspend or close;

16               “(ii) the anticipated date of suspension or clo-  
17       sure of each such facility;

18               “(iii) the cost of continued operations at the fa-  
19       cilities for which closure is planned;

20               “(iv) the purpose of each such suspension or  
21       closure, as determined by paragraph (2)(A);

22               “(v) plans for the establishment of alternative  
23       access points for retail facilities listed in clause (i),  
24       including the date on which each such alternative ac-

1       cess point shall open for business and the planned  
2       location of each such alternative access point;

3           “(vi) how each facility closure conforms with  
4       previously filed actions for suspension or closure;

5           “(vii) the timeline for closure or suspension ac-  
6       tivities described in paragraphs (1) and (3), and all  
7       other formal closure or suspension activities planned  
8       in connection with the retail facility closure;

9           “(viii) how work performed at mail processing  
10      facilities recommended for closure or consolidation  
11      will be transferred or absorbed by other facilities  
12      within the network;

13          “(ix) cost savings expected or achieved from  
14      consolidation of both retail and mail processing fa-  
15      cilities;

16          “(x) the impact of each planned closure on  
17      postal employees, including relocation or reassign-  
18      ment plans; and

19          “(xi) the status of ongoing suspensions or clo-  
20      sures identified in previous reports.”.

1 **TITLE III—POSTAL SERVICE IM-**  
2 **PROVEMENTS AND REGU-**  
3 **LATORY RELIEF**

4 **SEC. 301. PERMIT APPEAL RIGHTS FOR CLOSING OF POST-**  
5 **AL STATIONS AND BRANCHES.**

6 Section 404(d) is amended by adding after paragraph  
7 (7) (as added by section 208 of this Act) the following:  
8 “(8) The provisions of paragraphs (1) through (6)  
9 shall apply to postal stations and branches in the same  
10 manner as the provisions apply to post offices.”.

11 **SEC. 302. INTRA-AGENCY COOPERATIVE AGREEMENTS.**

12 (a) IN GENERAL.—Section 411 is amended—

13 (1) in the section heading, by inserting “**; au-**  
14 **thority for intra-service agreement**” after  
15 **“agencies”**;

16 (2) by inserting “(a)” before “Executive agen-  
17 cies within”; and

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

19 “(b) The Office of the Inspector General of the  
20 United States Postal Service and other components of the  
21 Postal Service may enter into intra-service agreements to  
22 furnish to each other property, both real and personal, and  
23 personal and nonpersonal services. The furnishing of prop-  
24 erty and services under this section shall be under such  
25 terms and conditions, including reimbursability, as the



1 head of the component concerned and the Inspector Gen-  
2 eral shall deem necessary.”.

3 (b) CLERICAL AMENDMENT.—The table of sections  
4 at the beginning of chapter 4 is amended by striking the  
5 item relating to section 411 and inserting the following:

“411. Cooperation with other Government agencies; authority for intra-service  
agreement.”.

6 **SEC. 303. GROUPING OF NEGOTIATED SERVICE AGREE-**  
7 **MENTS.**

8 Section 3622(d)(1) (as amended by section 107(b) of  
9 this Act) is further amended—

10 (1) in subparagraph (E) (as so redesignated by  
11 section 107(b)), by striking “and” at the end;

12 (2) in subparagraph (F) (as so redesignated by  
13 section 107(b)), by striking the period and inserting  
14 “; and”; and

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

16 “(G) treat similar or related agreements  
17 between the Postal Service and postal users col-  
18 lectively as a single product for purposes of this  
19 section to the extent the Commission deems  
20 such treatment to be consistent with policies of  
21 this title.”.

1 **SEC. 304. SIMPLIFICATION OF PROCESS FOR CLASSIFICA-**  
2 **TION OF COMPETITIVE PRODUCTS.**

3 Section 3642(b) is amended (in the matter before  
4 paragraph (1)) by striking “in accordance with” and in-  
5 serting the following: “as expeditiously as practicable. The  
6 Commission shall promptly admit a product into the com-  
7 petitive category if it meets”.

8 **SEC. 305. DEVELOPMENT OF NEW MARKET-DOMINANT**  
9 **CLASSES OF MAIL.**

10 (a) Section 102 is amended—

11 (1) in paragraph (9), by striking “and” at the  
12 end;

13 (2) in paragraph (10), by striking the period  
14 and inserting “; and”; and

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

16 “(11) ‘class of mail’ means a grouping of simi-  
17 lar products, subject to section 3622(d)(2)(A), as  
18 further defined by the Postal Regulatory Commis-  
19 sion.”.

20 (b) Section 3622(d)(2)(A) is amended by inserting  
21 “or under section 3643” after “Act”.

22 (c)(1) Subchapter III of chapter 36 is amended by  
23 adding at the end the following:

24 **“SEC. 3643. NEW CLASSES OF MAIL.**

25 “(a) IN GENERAL.—Upon request of the Postal Serv-  
26 ice or users of the mails, or upon its own initiative, the

1 Postal Regulatory Commission may change the classes of  
2 mail to which the annual limitation under section  
3 3622(d)(1) applies by adding new classes of mail. The  
4 Postal Regulatory Commission shall, within 18 months  
5 after the date of enactment of this section, promulgate  
6 (and may from time to time thereafter revise) regulations  
7 to carry out this section.

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

11 “(1) NEW MARKET.—Dominant classes of mail  
12 shall consist of products in the sale of which the  
13 Postal Service exercises sufficient market power that  
14 it can effectively set the price of such product sub-  
15 stantially above costs, raise prices significantly, de-  
16 crease quality, or decrease output, without risk of  
17 losing a significant level of business to other firms  
18 offering similar products.

19 “(2) PRODUCTS COVERED BY POSTAL MONOP-  
20 OLY.—Any new classes of mail containing any prod-  
21 ucts covered by the postal monopoly shall be subject  
22 to the requirements of section 3622(d)(1). For pur-  
23 poses of the preceding sentence, the term ‘product  
24 covered by the postal monopoly’ means any product  
25 the conveyance or transmission of which is reserved

1 to the United States under section 1696 of title 18,  
2 subject to the same exception as set forth in the last  
3 sentence of section 409(e)(1).

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

7 “(A) the availability and nature of enter-  
8 prises in the private sector engaged in the deliv-  
9 ery of the product involved;

10 “(B) the views of those who use the prod-  
11 uct involved on the appropriateness of the pro-  
12 posed action; and

13 “(C) the likely impact of the proposed ac-  
14 tion on small business concerns (within the  
15 meaning of section 3641(h)).

16 “(c) NOTIFICATION AND PUBLICATION REQUIRE-  
17 MENTS.—

18 “(1) NOTIFICATION REQUIREMENT.—The Post-  
19 al Service shall, whenever it requests to add a new  
20 class of mail, file with the Postal Regulatory Com-  
21 mission and publish in the Federal Register a notice  
22 setting out the basis for its determination that the  
23 product satisfies the criteria under subsection (b).  
24 The provisions of section 504(g) shall be available  
25 with respect to any information required to be filed.

1           “(2) PUBLICATION REQUIREMENT.—The Postal  
2       Regulatory Commission shall, whenever it changes  
3       the list of market-dominant classes of mail, prescribe  
4       new lists of classes of mail. The revised lists shall  
5       indicate how and when any previous lists are super-  
6       seded, and shall be published in the Federal Reg-  
7       ister.

8           “(d) PROHIBITION.—Except as provided in section  
9       3641, a class of mail that involves the physical delivery  
10      of letters, printed matter, or packages may be offered by  
11      the Postal Service unless it has been assigned as a new  
12      class of mail—

13           “(1) under this subchapter; or

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

15           (2) The table of sections at the beginning of chapter  
16       36 is amended by inserting after the item relating to sec-  
17       tion 3642 the following:

          “3643. New classes of mail.”.

18       **SEC. 306. EXPEDITED CONSIDERATION OF SERVICE**  
19                       **CHANGES BY PRC.**

20       Section 3661 is amended—

21           (1) by redesignating subsection (c) as sub-  
22       section (d); and

23           (2) by inserting after subsection (b) the fol-  
24       lowing:

1 “(c) If the Postal Service seeks expedited processing  
2 for time-sensitive advisory opinions, it shall state such re-  
3 quest in its proposal filed under subsection (b) and the  
4 Commission, to the extent practical and in accordance  
5 with subsection (d), shall comply with the request for ex-  
6 pedited consideration.”.

7 **SEC. 307. CONTRACTING PROVISIONS.**

8 (a) IN GENERAL.—Part I of title 39, United States  
9 Code, is amended by adding at the end the following:

10 **“CHAPTER 7—CONTRACTING PROVISIONS**

“CHAPTER 7—CONTRACTING PROVISIONS

“Sec. 701. Definitions.

“Sec. 702. Advocate for competition.

“Sec. 703. Delegation of contracting authority.

“Sec. 704. Posting of justifications of noncompetitive contracts.

“Sec. 705. Review of ethical issues.

“Sec. 706. Ban on certain contracts.

11 **“SEC. 701. DEFINITIONS.**

12 “In this chapter—

13 “(1) the term ‘contracting officer’ means an  
14 employee of a covered postal entity who has author-  
15 ity to enter into a postal contract;

16 “(2) the term ‘covered postal entity’ means—

17 “(A) the Postal Service; or

18 “(B) the Postal Regulatory Commission;

19 “(3) the term ‘head of a covered postal entity’  
20 means—

1                   “(A) in the case of the Postal Service, the  
2                   Postmaster General; or

3                   “(B) in the case of the Postal Regulatory  
4                   Commission, the Chairman of the Postal Regu-  
5                   latory Commission;

6                   “(4) the term ‘postal contract’ means any con-  
7                   tract (including any agreement or memorandum of  
8                   understanding) entered into by a covered postal enti-  
9                   ty for the procurement of goods or services; and

10                  “(5) the term ‘senior procurement executive’  
11                  means the senior procurement executive of a covered  
12                  postal entity.

13   **“SEC. 702. ADVOCATE FOR COMPETITION.**

14                  “(a) ESTABLISHMENT AND DESIGNATION.—

15                  “(1) There is established in each covered postal  
16                  entity an advocate for competition.

17                  “(2) The head of each covered postal entity  
18                  shall—

19                         “(A) designate for the covered postal entity  
20                         and for each procuring activity of the covered  
21                         postal entity 1 officer or employee (other than  
22                         the senior procurement executive) to serve as  
23                         the advocate for competition;

24                         “(B) not assign such officer or employee  
25                         any duties or responsibilities that are incon-

1           sistent with the duties and responsibilities of  
2           the advocates for competition; and

3           “(C) provide such officer or employee with  
4           such staff or assistance as may be necessary to  
5           carry out the duties and responsibilities of the  
6           advocate for competition, such as persons who  
7           are specialists in engineering, technical oper-  
8           ations, contract administration, financial man-  
9           agement, supply management, and utilization of  
10          small and disadvantaged business concerns.

11          “(b) DUTIES AND FUNCTIONS.—The advocate for  
12         competition of each covered postal entity shall—

13                 “(1) be responsible for challenging barriers to  
14                 and promoting full and open competition in the pro-  
15                 curement of goods and services by the covered postal  
16                 entity;

17                 “(2) review the procurement activities of the  
18                 covered postal entity;

19                 “(3) identify and report to the senior procure-  
20                 ment executive—

21                         “(A) opportunities and actions taken to  
22                         maximize full and open competition in the pro-  
23                         curement activities of the covered postal entity;  
24                         and



1           “(B) any condition or action which has the  
2           effect of unnecessarily restricting competition in  
3           the procurement actions of the covered postal  
4           entity;

5           “(4) prepare and transmit to the head of each  
6           covered postal entity, the Board of Governors, and  
7           Congress an annual report describing—

8           “(A) the activities of the advocate under  
9           this section;

10           “(B) initiatives required to increase com-  
11           petition; and

12           “(C) barriers to the use of full and open  
13           competition to the maximum extent practicable;

14           “(5) recommend to the senior procurement ex-  
15           ecutive the goals and the plans for increasing com-  
16           petition on a fiscal year basis;

17           “(6) recommend to the senior procurement ex-  
18           ecutive a system of personal and organizational ac-  
19           countability for competition, which may include the  
20           use of recognition and awards to motivate program  
21           managers, contracting officers, and others in author-  
22           ity to promote competition in procurement pro-  
23           grams; and

1 “(7) describe other ways in which the covered  
2 postal entity has emphasized competition in pro-  
3 grams for procurement training and research.

4 “(c) RESPONSIBILITIES.—The advocate for competi-  
5 tion for each procuring activity shall be responsible for  
6 promoting full and open competition, promoting the acqui-  
7 sition of commercial items, and challenging barriers to  
8 such acquisition, including such barriers as unnecessarily  
9 restrictive statements of need, unnecessarily detailed spec-  
10 ifications, and unnecessarily burdensome contract clauses.

11 **“SEC. 703. DELEGATION OF CONTRACTING AUTHORITY.**

12 “(a) IN GENERAL.—

13 “(1) POLICY.—Not later than 60 days after the  
14 date of enactment of the Innovate To Deliver Act of  
15 2013, the head of each covered postal entity shall  
16 issue a policy on contracting officer delegations of  
17 authority for the covered postal entity.

18 “(2) CONTENTS.—The policy issued under  
19 paragraph (1) shall require that—

20 “(A) notwithstanding any delegation of  
21 contracting authority, the ultimate responsi-  
22 bility and accountability for the award and ad-  
23 ministration of postal contracts resides with the  
24 senior procurement executive; and

1           “(B) a contracting officer shall maintain  
2           an awareness of and engagement in the activi-  
3           ties being performed on postal contracts for  
4           which that officer has cognizance notwith-  
5           standing any delegation of authority that may  
6           have been executed.

7           “(b) POSTING OF DELEGATIONS.—

8           “(1) IN GENERAL.—The head of each covered  
9           postal entity shall make any delegation of authority  
10          outside the functional contracting unit for the pro-  
11          curement of goods or services which exceeds the sim-  
12          plified acquisition threshold, as defined under sec-  
13          tion 4(11) of the Office of Federal Procurement Pol-  
14          icy Act (41 U.S.C. 403(11)) including any adjust-  
15          ment under section 35A of that Act (41 U.S.C.  
16          431A), available on the Web site of the covered post-  
17          al entity.

18          “(2) EFFECTIVE DATE.—This paragraph shall  
19          apply to any delegation of authority made on or  
20          after 30 days after the date of enactment of the In-  
21          novate To Deliver Act of 2013.

22       **“SEC. 704. POSTING OF JUSTIFICATIONS OF NONCOMPETI-**  
23       **TIVE CONTRACTS.**

24          “(a) IN GENERAL.—Not later than 14 days after the  
25          date of the award of any noncompetitive contract which

1 exceeds the simplified acquisition threshold, as defined  
2 under section 4(11) of the Office of Federal Procurement  
3 Policy Act (41 U.S.C. 403(11)) including any adjustment  
4 under section 35A of that Act (41 U.S.C. 431A), or within  
5 30 days if the justification and approval for that contract  
6 is urgent and compelling, a covered postal entity shall  
7 make publicly available the documents containing the jus-  
8 tification and approval of that contract.

9 “(b) WEB SITE.—

10 “(1) IN GENERAL.—Subject to paragraph (2),  
11 the documents described under subsection (a) shall  
12 be made available on the Web site of the covered  
13 postal entity.

14 “(2) PROTECTION OF PROPRIETARY INFORMA-  
15 TION.—The covered postal entity shall carefully  
16 screen all justifications for proprietary data, and any  
17 references and citations as are necessary to protect  
18 the proprietary data, or security-related information  
19 and remove all such data or information before mak-  
20 ing the justifications available.

21 **“SEC. 705. REVIEW OF ETHICAL ISSUES.**

22 “If a contracting officer identifies any ethical issues  
23 relating to a proposed contract and submits those issues  
24 and that proposed contract to the designated ethics official

1 for the covered postal entity before the awarding of that  
2 contract, that ethics official shall—

3 “(1) review the proposed contract; and

4 “(2) advise the contracting officer on the appro-  
5 priate resolution of ethical issues.

6 **“SEC. 706. BAN ON CERTAIN CONTRACTS.**

7 “(a) DEFINITIONS.—In this section—

8 “(1) the term ‘covered employee’ means—

9 “(A) a contracting officer; or

10 “(B) any employee of a covered postal en-  
11 tity whose decisionmaking affects a postal con-  
12 tract as determined by regulations prescribed  
13 by the head of a covered postal entity; and

14 “(2) the term ‘final conviction’ means a convic-  
15 tion, whether entered on a verdict or plea, including  
16 a plea of nolo contendere, for which a sentence has  
17 been imposed;

18 “(b) IN GENERAL.—

19 “(1) REGULATIONS.—The head of each covered  
20 postal entity shall prescribe regulations that—

21 “(A) prohibit a covered employee from en-  
22 tering into a postal contract with any party  
23 with whom that covered employee is closely af-  
24 filiated in a nongovernmental capacity, regard-

1 less of whether or not the postal contract is for  
2 private gain;

3 “(B) require a contractor to timely disclose  
4 to the chief ethics officers of the covered postal  
5 entity any relationship described under sub-  
6 paragraph (A) with a covered employee in a  
7 bid, solicitation, award, or performance of a  
8 postal contract; and

9 “(C) include authority for the head of the  
10 covered postal entity to a grant waiver to any  
11 prohibition or requirement under subparagraph  
12 (A) or (B).

13 “(2) POSTING OF WAIVERS.—Not later than 30  
14 days after the head of a covered postal entity grants  
15 a waiver described under paragraph (1)(C), the head  
16 of the covered postal entity shall make the waiver  
17 available on the Web site of the covered postal enti-  
18 ty.

19 “(c) CONTRACT VOIDANCE AND RECOVERY.—

20 “(1) BRIBERY AND GRAFT CONVICTIONS.—In  
21 any case in which there is a final conviction for a  
22 violation of any provision of chapter 11 of title 18  
23 relating to a postal contract, the head of a covered  
24 postal entity may—

25 “(A) void that contract; and

1           “(B) recover the amounts expended and  
2           property transferred by the covered postal enti-  
3           ty under that contract.

4           “(2) OBTAINING OR DISCLOSING PROCUREMENT  
5           INFORMATION.—

6           “(A) IN GENERAL.—In any case described  
7           under subparagraph (B) relating to a postal  
8           contract, the head of a covered postal entity  
9           may—

10           “(i) void that contract; and

11           “(ii) recover the amounts expended  
12           and property transferred by the covered  
13           postal entity under that contract.

14           “(B) CONVICTION OR ADMINISTRATIVE DE-  
15           TERMINATION.—A case described under sub-  
16           paragraph (A) is any case in which—

17           “(i) there is a final conviction for an  
18           offense punishable under section 27(e) of  
19           the Office of Federal Procurement Policy  
20           Act (41 U.S.C. 423(e)); or

21           “(ii) the head of a covered postal enti-  
22           ty determines, based upon a preponderance  
23           of the evidence, that the contractor or  
24           someone acting for the contractor has en-  
25           gaged in conduct constituting an offense

1                   punishable under section 27(e) of that  
2                   Act.”.

3           (b) TECHNICAL AND CONFORMING AMENDMENT.—  
4 The table of chapters for part I of title 39, United States  
5 Code, is amended by adding at the end the following:

**“7. Contracting provisions ..... 701.”.**

6   **TITLE IV—STUDIES TO ENHANCE**  
7                   **THE POSTAL SERVICE**

8   **SEC. 401. ASSISTANCE TO FACILITATE VOTING BY MAIL.**

9           It is the sense of Congress that the United States  
10 Postal Service should consider a simplified rate structure  
11 for election ballots sent by voters by mail as part of its  
12 review of potential new election mail products.

13   **SEC. 402. STUDY ON MODERNIZING THE POSTAL DELIVERY**  
14                   **VEHICLE FLEET.**

15           Not later than 1 year after the date of enactment  
16 of this Act, the Inspector General of the United States  
17 Postal Service shall submit to Congress the results of a  
18 study examining the feasibility and potential cost-savings  
19 relating to the Postal Service of—

20                   (1) replacing or converting gasoline-powered de-  
21           livery vehicles with electric vehicles over a 10-year  
22           period, to ensure at least 75 percent of the postal  
23           fleet is comprised of electric motor vehicles; and

24                   (2) using fleet vehicles to provide services, other  
25           than postal services and in a manner that generates



1 revenue for the Postal Service, if the Postal Service  
2 determines that the provision of that service would  
3 utilize the processing, transportation, delivery, retail  
4 network, or technology of the Postal Service in a  
5 manner that is consistent with the public interest.

6 **SEC. 403. FOREVER PACKAGES.**

7 It is the sense of Congress that the United States  
8 Postal Service should consider creating a “Forever Pack-  
9 age” for customers to mail parcels of a certain size, analo-  
10 gous to the “Forever Stamp”.

11 **SEC. 404. STUDY RELATING TO CONSOLIDATED MAILINGS.**

12 (a) DEFINITIONS.—For purposes of this section—

13 (1) the term “transpromotional mailing” refers  
14 to the use of a single mailing to provide, in addition  
15 to information provided by the mailing source, other  
16 information of potential interest to the recipient  
17 from a different source;

18 (2) the term “consolidated mailing” refers to a  
19 combined mailing, contained in a single envelope or  
20 cover, comprised of mail matter from more than one  
21 Executive agency; and

22 (3) the term “Executive agency” has the mean-  
23 ing given such term in section 105 of title 5, United  
24 States Code.

1 (b) STUDY.—The United States Postal Service shall  
2 conduct a study and submit to Congress, not later than  
3 2 years after the date of enactment of this Act, a report  
4 on ways to promote the use of transpromotional or consoli-  
5 dated mailings. The report shall include—

6 (1) findings regarding the effect that the great-  
7 er use of transpromotional or consolidated mailings  
8 is likely to have in terms of—

9 (A) expanded mail volume;

10 (B) efficiencies in the dissemination of in-  
11 formation by Federal agencies; and

12 (C) other relevant measures; and

13 (2) recommendations for such legislation or  
14 other actions as the Postal Service considers nec-  
15 essary to achieve the optimal levels of  
16 transpromotional or consolidated mailings.

17 **SEC. 405. STUDY RELATING TO THE COST OF GOVERNMENT**  
18 **MAILINGS.**

19 Not later than 1 year after the date of enactment  
20 of this Act, the Comptroller General shall submit to the  
21 Committee on Oversight and Government Reform of the  
22 House of Representatives and the Committee on Home-  
23 land Security and Governmental Affairs of the Senate a  
24 report on the mailing costs, attributable to each Federal  
25 agency (as that term is defined in section 105 of title 5,

1 United States Code), of sending mail by using the Postal  
2 Service, as compared to the services of a carrier other than  
3 the Postal Service. The report shall include, for the Postal  
4 Service and each of the other respective carriers—

5 (1) an estimate of the per-mile mailing costs for  
6 each class of mail; and

7 (2) such other information as may be necessary  
8 to allow meaningful comparisons to be made.

9 **SEC. 406. PACKAGING OF POSTAL SERVICES AND PROD-**  
10 **UCTS.**

11 It is the sense of Congress that the United States  
12 Postal Service should consider—

13 (1) establishing packages of postal services and  
14 products; and

15 (2) marketing those packages to small busi-  
16 nesses and other potential users.

17 **SEC. 407. AFTER-DELIVERY PAYMENT ARRANGEMENTS.**

18 Nothing in title 39, United States Code, or any other  
19 provision of law, shall prevent the United States Postal  
20 Service from entering into arrangements whereby the  
21 sender of a mailing may be allowed to defer payment of  
22 postage until after the item involved has been delivered.

23 **SEC. 408. SMALL BUSINESS MAILING POOLS.**

24 (a) IN GENERAL.—Nothing in title 39, United States  
25 Code, or any other provision of law, shall prevent the

1 United States Postal Service from promoting, or providing  
2 technical assistance in connection with, the creation of  
3 small business and other mailing pools, the purpose of  
4 which is to allow each member of such pool to take advan-  
5 tage of postage rates applicable to bulk mailings and other  
6 discounts.

7 (b) REPORTING REQUIREMENT.—The Postal Service  
8 shall submit a written report to Congress, at least once  
9 every 3 years, on the operation of this section.

10 (c) DEFINITION.—For purposes of this section, the  
11 term “small business concern” means a small business as  
12 defined pursuant to section 3 of the Small Business Act  
13 (15 U.S.C. 632).

14 **SEC. 409. ELECTRONIC POST OFFICE BOX SERVICES.**

15 (a) IN GENERAL.—The United States Postal Service  
16 may, in partnership with a private sector provider of elec-  
17 tronic mail services, carry out a pilot program which is  
18 designed to test the feasibility and desirability of an inte-  
19 grated electronic system for the receipt, storage, trans-  
20 port, and delivery of mail directed to physical addresses  
21 and post office boxes.

22 (b) REPORTING REQUIREMENT.—

23 (1) IN GENERAL.—Not later than 3 years after  
24 the date of enactment of this Act, the Postal Service  
25 shall submit to Congress a report describing the de-

1 sign, operation, and recommendations of the Postal  
2 Service with respect to the pilot program under this  
3 section.

4 (2) ROLE OF PRC.—At least 6 months before  
5 submitting the report to Congress under paragraph  
6 (1), the Postal Service shall transmit a copy of its  
7 report to the Postal Regulatory Commission for  
8 comments. The Postal Service shall append to the  
9 report any written comments received from the Post-  
10 al Regulatory Commission under this paragraph.

11 **SEC. 410. SUPERVISORY AND OTHER MANAGERIAL ORGANI-**  
12 **ZATIONS OF THE POSTAL SERVICE.**

13 Section 1004 of title 39, United States Code, is  
14 amended—

15 (1) in subsection (a), by inserting “to ensure  
16 reasonable and sustainable workloads and schedules  
17 for supervisory and management employees;” after  
18 the second instance of “other managerial per-  
19 sonnel;”;

20 (2) in subsection (b) (in the second sentence),  
21 by inserting “as provided under subsection (d) and  
22 any changes in, or termination of, pay policies and  
23 schedules and fringe benefit programs for members  
24 of the supervisors’ organization as provided under  
25 subsection (e)” before the period; and

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

3 **SEC. 411. REQUIRED PERIOD FOR NOTICE AND COMMENT**  
4 **WITH RESPECT TO CHANGES IN MAILING**  
5 **RULES.**

6 (a) IN GENERAL.—The United States Postal Service  
7 shall by regulation establish procedures under which, be-  
8 fore adding, eliminating, or modifying any mailing rules—

9 (1) notice of the proposed change shall be pro-  
10 vided by publication in the Federal Register; and

11 (2) a minimum of 30 days shall be provided,  
12 after the date of such publication, for public com-  
13 ment.

14 (b) EXCEPTIONS.—Subsection (a)—

15 (1) shall not apply to any classification or other  
16 rules changes that must be brought before the Post-  
17 al Regulatory Commission; and

18 (2) shall not apply to any change that the Post-  
19 master General certifies has a cumulative cost, to  
20 users of the mail, of less than \$5,000,000 per year.

21 (c) MAILING RULES DEFINED.—For purposes of this  
22 section, the term “mailing rules” means any rules or other  
23 requirements of the Postal Service—

1           (1) for qualifying, entering, accepting, certi-  
2       fying, or validating mail for specific rates, products,  
3       or services; or

4           (2) otherwise affecting utilization of the postal  
5       system, by a business, nonprofit mailer, or other  
6       person.

7       Such term includes any rule or other requirement that in-  
8       creases the cost of compliance with existing rules or re-  
9       quirements, whether or not reflected in any discount pro-  
10      vided.

11   **SEC. 412. ELECTRONIC COMMUNICATION PRODUCTS.**

12       The United States Postal Service and Postal Regu-  
13      latory Commission shall, not later than 12 months after  
14      the date of the enactment of this Act, report to Congress  
15      on the advisability of developing electronic communication  
16      products that would increase net revenue for the Postal  
17      Service.

18   **SEC. 413. ADVISORY OPINION RELATING TO 5-DAY DELIV-**  
19                   **ERY SCHEDULE.**

20       (a) IN GENERAL.—No later than 30 days after the  
21      date of enactment of this Act, the Postmaster General  
22      shall submit to the Postal Regulatory Commission a re-  
23      quest for an advisory opinion on a plan to deliver First  
24      Class Mail 5 days per week and packages 6 days per week.

1 (b) PRC ADVISORY OPINION.—Not later than 90  
2 days after receiving the request under subsection (a), the  
3 Commission shall submit an advisory opinion with respect  
4 to such request to the Committee on Homeland Security  
5 and Governmental Affairs of the Senate and the Com-  
6 mittee on Oversight and Government Reform of the House  
7 of Representatives.

8 **SEC. 414. ADVISORY OPINION RELATING TO PRESERVA-**  
9 **TION OF DELIVERY AND SERVICE STAND-**  
10 **ARDS.**

11 (a) IN GENERAL.—Not later than 30 days after the  
12 date of enactment of this Act, the Postmaster General  
13 shall submit to the Postal Regulatory Commission a re-  
14 quest for an advisory opinion on the cost savings and im-  
15 pact from any changes or modifications in the delivery or  
16 service standards as it relates to the closure, consolidation,  
17 or suspension of mail processing facilities.

18 (b) PRC ADVISORY OPINION.—Not later than 90  
19 days after receiving the request under subsection (a), the  
20 Commission shall submit an advisory opinion with respect  
21 to such request to the Committee on Homeland Security  
22 and Governmental Affairs of the Senate and the Com-  
23 mittee on Oversight and Government Reform of the House  
24 of Representatives.

