

1 make the required transfer to the Civil Service Retirement
 2 and Disability Fund based on that amount.

3 **SEC. 803. HEALTH INSURANCE.**

4 (a) **IN GENERAL.**—Chapter 89 of title 5, United
 5 States Code, is amended—

6 (1) in section 8906(g)(2)(A), by striking “shall
 7 be paid by the United States Postal Service.” and
 8 inserting “shall be paid first from the Postal Service
 9 Retiree Health Benefits Fund up to the amount con-
 10 tained in the Fund, with any remaining amount paid
 11 by the United States Postal Service.”; and

12 (2) by inserting after section 8909 the fol-
 13 lowing:

14 **“§ 8909a. Postal Service Retiree Health Benefits Fund**

15 “(a) There is in the Treasury of the United States
 16 a Postal Service Retiree Health Benefits Fund which is
 17 administered by the Office of Personnel Management.

18 “(b) The Fund is available without fiscal year limita-
 19 tion for payments required under section 8906(g)(2)(A).

20 “(c) The Secretary of the Treasury shall immediately
 21 invest, in interest-bearing securities of the United States
 22 such currently available portions of the Fund as are not
 23 immediately required for payments from the Fund. Such
 24 investments shall be made in the same manner as invest-

1 ments for the Civil Service Retirement and Disability
 2 Fund under section 8348.

3 “(d)(1) Not later than December 31, 2006, and by
 4 December 31 of each succeeding year, the Office shall
 5 compute the net present value of the future payments re-
 6 quired under section 8906(g)(2)(A) and attributable to
 7 the service of Postal Service employees during the most
 8 recently ended fiscal year.

9 “(2)(A) Not later than December 31, 2006, the Of-
 10 fice shall compute, and by December 31 of each suc-
 11 ceeding year, the Office shall recompute the difference be-
 12 tween—

13 “(i) the net present value of the excess of fu-
 14 ture payments required under section 8906(g)(2)(A)
 15 for current and future United States Postal Service
 16 annuitants as of the end of the fiscal year ending on
 17 September 30 of that year; and

18 “(ii)(I) the value of the assets of the Postal Re-
 19 tiree Health Benefits Fund as of the end of the fis-
 20 cal year ending on September 30 of that year; and

21 “(II) the net present value computed under
 22 paragraph (1).

23 “(B) Not later than December 31, 2006, the Office
 24 shall compute, and by December 31 of each succeeding
 25 year shall recompute, an amortization schedule including

1 a series of annual installments which provide for the liq-
2 uidation by January 31, 2046, or within 15 years, which-
3 ever is later, of the net present value determined under
4 subparagraph (A), including interest at the rate used in
5 that computation.

6 “(3) Not later than January 31, 2007, and by Janu-
7 ary 31 of each succeeding year, the United States Postal
8 Service shall pay into such Fund—

9 “(A) the net present value computed under
10 paragraph (1); and

11 “(B) the annual installment computed under
12 paragraph (2)(B).

13 “(4) Computations under this subsection shall be
14 made consistent with the assumptions and methodology
15 used by the Office for financial reporting under sub-
16 chapter H of chapter 35 of title 31.

17 “(5) After consultation with the United States Postal
18 Service, the Office shall promulgate any regulations the
19 Office determines necessary under this subsection.”.

20 (b) TECHNICAL AND CONFORMING AMENDMENT.—
21 The table of sections for chapter 89 of title 5, United
22 States Code, is amended by inserting after the item relat-
23 ing to section 8909 the following:

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

1 (b) TECHNICAL AND CONFORMING AMENDMENT.—
2 Section 8118(b)(1) of title 5, United States Code, is
3 amended to read as follows:

4 “(1) without a break in time, except as pro-
5 vided under section 8117;”.

6 **SEC. 902. DISABILITY RETIREMENT FOR POSTAL EMPLOYEES.**
7

8 (a) TOTAL DISABILITY.—Section 8105 of title 5,
9 United States Code, is amended—

10 (1) in subsection (a), by adding at the end the
11 following: “This section applies to a Postal Service
12 employee, except as provided under subsection (e).”;
13 and

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

15 “(e)(1) In this subsection, the term ‘retirement age’
16 has the meaning given under section 216(l)(1) of the So-
17 cial Security Act (42 U.S.C. 416(l)(1)).

18 “(2) Notwithstanding any other provision of law, for
19 any injury occurring on or after the date of enactment
20 of the Postal Accountability and Enhancement Act, and
21 for any new claim for a period of disability commencing
22 on or after that date, the compensation entitlement for
23 total disability is converted to 50 percent of the monthly
24 pay of the employee on the later of—

Sec. 604. Redesignation of the Postal Rate Commission.

Sec. 605. Financial transparency.

TITLE VII—EVALUATIONS

Sec. 701. Assessments of ratemaking, classification, and other provisions.

Sec. 702. Report on universal postal service and the postal monopoly.

Sec. 703. Study on equal application of laws to competitive products.

Sec. 704. Report on postal workplace safety and workplace-related injuries.

Sec. 705. Study on recycled paper.

TITLE VIII—POSTAL SERVICE RETIREMENT AND HEALTH BENEFITS FUNDING

Sec. 801. Short title.

Sec. 802. Civil Service Retirement System.

Sec. 803. Health insurance.

Sec. 804. Repeal of disposition of savings provision.

Sec. 805. Effective dates.

TITLE IX—COMPENSATION FOR WORK INJURIES

Sec. 901. Temporary disability; continuation of pay.

Sec. 902. Disability retirement for postal employees.

TITLE X—MISCELLANEOUS

Sec. 1001. Employment of postal police officers.

Sec. 1002. Expanded contracting authority.

1 **TITLE I—DEFINITIONS; POSTAL**
 2 **SERVICES**

3 **SEC. 101. DEFINITIONS.**

4 *Section 102 of title 39, United States Code, is amended*
 5 *by striking “and” at the end of paragraph (3), by striking*
 6 *the period at the end of paragraph (4) and inserting a semi-*
 7 *colon, and by adding at the end the following:*

8 *“(5) ‘postal service’ refers to the physical deliv-*
 9 *ery of letters, printed matter, or packages weighing*
 10 *up to 70 pounds, including physical acceptance, col-*
 11 *lection, sorting, transportation, or other services an-*
 12 *cillary thereto;*

1 “(6) ‘product’ means a postal service with a dis-
 2 tinct cost or market characteristic for which a rate or
 3 rates are applied;

4 “(7) ‘rates’, as used with respect to products, in-
 5 cludes fees for postal services;

6 “(8) ‘market-dominant product’ or ‘product in
 7 the market-dominant category of mail’ means a prod-
 8 uct subject to subchapter I of chapter 36; and

9 “(9) ‘competitive product’ or ‘product in the
 10 competitive category of mail’ means a product subject
 11 to subchapter II of chapter 36; and

12 “(10) ‘year’, as used in chapter 36 (other than
 13 subchapters I and VI thereof), means a fiscal year.”.

14 **SEC. 102. POSTAL SERVICES.**

15 (a) *IN GENERAL.*—Section 404 of title 39, United
 16 States Code, is amended—

17 (1) in subsection (a), by striking paragraph (6)
 18 and by redesignating paragraphs (7) through (9) as
 19 paragraphs (6) through (8), respectively; and

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

21 “(c) Except as provided in section 411, nothing in this
 22 title shall be considered to permit or require that the Postal
 23 Service provide any special nonpostal or similar services.”.

24 (b) *CONFORMING AMENDMENTS.*—(1) Section
 25 1402(b)(1)(B)(ii) of the Victims of Crime Act of 1984 (98

1 *Stat. 2170; 42 U.S.C. 10601(b)(1)(B)(ii)* is amended by
2 striking “404(a)(8)” and inserting “404(a)(7)”.

3 (2) Section 2003(b)(1) of title 39, United States Code,
4 is amended by striking “and nonpostal”.

5 **TITLE II—MODERN RATE**
6 **REGULATION**

7 **SEC. 201. PROVISIONS RELATING TO MARKET-DOMINANT**
8 **PRODUCTS.**

9 (a) *IN GENERAL.*—Chapter 36 of title 39, United
10 States Code, is amended by striking sections 3621, 3622,
11 and 3623 and inserting the following:

12 **“§ 3621. Applicability; definitions**

13 “(a) *APPLICABILITY.*—This subchapter shall apply
14 with respect to—

15 “(1) first-class mail letters and sealed parcels;

16 “(2) first-class mail cards;

17 “(3) periodicals;

18 “(4) standard mail;

19 “(5) single-piece parcel post;

20 “(6) media mail;

21 “(7) bound printed matter;

22 “(8) library mail;

23 “(9) special services; and

24 “(10) single-piece international mail,

1 *ice plus that portion of all other costs of the Postal*
2 *Service reasonably assignable to such class or type;*

3 *“(4) the effect of rate increases upon the general*
4 *public, business mail users, and enterprises in the*
5 *private sector of the economy engaged in the delivery*
6 *of mail matter other than letters;*

7 *“(5) the available alternative means of sending*
8 *and receiving letters and other mail matter at reason-*
9 *able costs;*

10 *“(6) the degree of preparation of mail for deliv-*
11 *ery into the postal system performed by the mailer*
12 *and its effect upon reducing costs to the Postal Serv-*
13 *ice;*

14 *“(7) simplicity of structure for the entire sched-*
15 *ule and simple, identifiable relationships between the*
16 *rates or fees charged the various classes of mail for*
17 *postal services;*

18 *“(8) the relative value to the people of the kinds*
19 *of mail matter entered into the postal system and the*
20 *desirability and justification for special classifica-*
21 *tions and services of mail;*

22 *“(9) the importance of providing classifications*
23 *with extremely high degrees of reliability and speed of*
24 *delivery and of providing those that do not require*
25 *high degrees of reliability and speed of delivery;*

1 “(10) *the desirability of special classifications*
2 *from the point of view of both the user and of the*
3 *Postal Service;*

4 “(11) *the educational, cultural, scientific, and*
5 *informational value to the recipient of mail matter;*
6 *and*

7 “(12) *the policies of this title as well as such*
8 *other factors as the Commission deems appropriate.*

9 “(d) *REQUIREMENTS.*—*The system for regulating rates*
10 *and classes for market-dominant products shall—*

11 “(1) *require the Postal Regulatory Commission*
12 *to set annual limitations on the percentage changes in*
13 *rates based on inflation using indices, such as the*
14 *Consumer Price Index, the Employment Cost Index,*
15 *the Gross Domestic Product Price Index, or any simi-*
16 *lar measure as the Postal Regulatory Commission*
17 *may prescribe;*

18 “(2) *establish a schedule whereby rates, when*
19 *necessary and appropriate, would change at regular*
20 *intervals by predictable amounts;*

21 “(3) *not later than 45 days before the implemen-*
22 *tation of any adjustment in rates under this sec-*
23 *tion—*

24 “(A) *require the Postal Service to provide*
25 *public notice of the adjustment;*

1 *ceed the cost that the Postal Service avoids as a result*
2 *of workshare activity, unless—*

3 *“(A) the discount is—*

4 *“(i) associated with a new postal serv-*
5 *ice or with a change to an existing postal*
6 *service; and*

7 *“(ii) necessary, over a period of time*
8 *not to exceed 4 years, to induce mailer be-*
9 *havior that furthers the economically effi-*
10 *cient operation of the Postal Service;*

11 *“(B) a reduction in the discount would—*

12 *“(i) lead to a loss of volume in the af-*
13 *ected category of mail and reduce the ag-*
14 *gregate contribution to institutional costs of*
15 *the Postal Service from the mail matter*
16 *subject to the discount below what it other-*
17 *wise would have been if the discount had*
18 *not been reduced to costs avoided;*

19 *“(ii) result in a further increase in the*
20 *rates paid by mailers not able to take ad-*
21 *vantage of the discount; or*

22 *“(iii) impede the efficient operation of*
23 *the Postal Service;*

24 *“(C) the amount of the discount above costs*
25 *avoided—*

1 “(i) is necessary to mitigate rate shock;

2 and

3 “(ii) will be phased out over time; or

4 “(D) the workshare discount is provided in
5 connection with subclasses of mail consisting ex-
6 clusively of mail matter of educational, cultural,
7 or scientific value.

8 “(3) *REPORT.*—Whenever the Postal Service es-
9 tablishes or maintains a workshare discount, the Post-
10 al Service shall, at the time it publishes the workshare
11 discount rate, submit to the Postal Regulatory Com-
12 mission a detailed report and explanation of the Post-
13 al Service’s reasons for establishing or maintaining
14 the rate, setting forth the data, economic analyses,
15 and other information relied on by the Postal Service
16 to justify the rate.

17 “(f) *TRANSITION RULE.*—Until regulations under this
18 section first take effect, rates and classes for market-domi-
19 nant products shall remain subject to modification in ac-
20 cordance with the provisions of this chapter and section
21 407, as such provisions were last in effect before the date
22 of the enactment of this section.

23 **“§ 3623. Service agreements for market-dominant**
24 **products**

25 “(a) *IN GENERAL.*—

1 “(1) *AUTHORITY.*—*The Postal Service may enter*
2 *into service agreements with a customer or group of*
3 *customers that provide for the provision of postal*
4 *services under terms, conditions, or service standards*
5 *that differ from those that would apply under the oth-*
6 *erwise applicable classification of market-dominant*
7 *mail.*

8 “(2) *AGREEMENTS.*—*An agreement under this*
9 *section may involve—*

10 “(A) *performance by the contracting mail*
11 *user of mail preparation, processing, transpor-*
12 *tation, or other functions;*

13 “(B) *performance by the Postal Service of*
14 *additional mail preparation, processing, trans-*
15 *portation, or other functions; or*

16 “(C) *other terms and conditions that meet*
17 *the requirements of subsections (b) and (c).*

18 “(b) *REQUIREMENTS.*—*A service agreement under this*
19 *section may be entered into only if each of the following*
20 *conditions is met:*

21 “(1) *The total revenue generated under the agree-*
22 *ment—*

23 “(A) *will cover all Postal Service costs at-*
24 *tributable to the postal services covered by the*
25 *agreement; and*

1 “(B) will result in no less contribution to
2 the institutional costs of the Postal Service than
3 would have been generated had the agreement not
4 been entered into.

5 “(2) Rates or fees for other mailers will not in-
6 crease as a result of the agreement.

7 “(3) The agreement pertains exclusively to prod-
8 ucts in the market-dominant category of mail.

9 “(4) The agreement will not preclude or materi-
10 ally hinder similarly situated mail users from enter-
11 ing into agreements with the Postal Service on the
12 same, or substantially the same terms or conditions,
13 and the Postal Service remains willing and able to
14 enter into such.

15 “(c) *LIMITATIONS.*—A service agreement under this
16 section shall—

17 “(1) be for a term not to exceed 3 years; and

18 “(2) provide that such agreement shall be subject
19 to the cancellation authority of the Commission under
20 section 3662.

21 “(d) *NOTICE REQUIREMENTS.*—

22 “(1) *IN GENERAL.*—At least 30 days before a
23 service agreement under this section is to take effect,
24 the Postal Service shall file with the Postal Regu-
25 latory Commission and publish in the Federal Reg-

1 *ister the following information with respect to such*
2 *agreement:*

3 “(A) A description of the postal services the
4 agreement involves.

5 “(B) A description of the functions the cus-
6 tomer is to perform under the agreement.

7 “(C) A description of the functions the Post-
8 al Service is to perform under the agreement.

9 “(D) The rates and fees payable by the cus-
10 tomer during the term of the agreement.

11 “(E) With respect to each condition under
12 subsection (b), information sufficient to dem-
13 onstrate the bases for the view of the Postal Serv-
14 ice that such condition would be met.

15 “(2) *AGREEMENTS LESS THAN NATIONAL IN*
16 *SCOPE.—In the case of a service agreement under this*
17 *section that is less than national in scope, the infor-*
18 *mation described under paragraph (1) shall also be*
19 *published by the Postal Service in a manner designed*
20 *to afford reasonable notice to persons within any geo-*
21 *graphic area to which such agreement (or any amend-*
22 *ment to that agreement) pertains.*

23 “(e) *EQUAL TREATMENT REQUIRED.—If the Postal*
24 *Service enters into a service agreement with a mailer under*
25 *this section, the Postal Service shall make such agreement*

1 *available to similarly situated mailers on functionally*
 2 *equivalent terms and conditions consistent with the regu-*
 3 *latory system established under section 3622 without unrea-*
 4 *sonable distinctions based on mailer profiles, provided that*
 5 *such distinctions, if ignored, would not render any subse-*
 6 *quent agreement uneconomic or impractical.*

7 “(f) *COMPLAINTS.—Any person who believes that a*
 8 *service agreement under this section is not in conformance*
 9 *with the requirements of this section, or who is aggrieved*
 10 *by a decision of the Postal Service not to enter into an*
 11 *agreement under this section, may file a complaint with*
 12 *the Postal Regulatory Commission in accordance with sec-*
 13 *tion 3662.*

14 “(g) *POSTAL REGULATORY COMMISSION ROLE.—*

15 “(1) *REGULATIONS.—The Postal Regulatory*
 16 *Commission may promulgate such regulations regard-*
 17 *ing service agreements as the Commission determines*
 18 *necessary to implement the requirements of this sec-*
 19 *tion.*

20 “(2) *REVIEW.—The Postal Regulatory Commis-*
 21 *sion may review any agreement or proposed agree-*
 22 *ment under this section and may suspend, cancel, or*
 23 *prevent such agreement if the Commission finds that*
 24 *the agreement does not meet the requirements of this*
 25 *section.*

1 “SUBCHAPTER II—PROVISIONS RELATING TO
2 COMPETITIVE PRODUCTS

3 **“§ 3631. Applicability; definitions and updates**

4 “(a) *APPLICABILITY.*—This subchapter shall apply
5 with respect to—

6 “(1) priority mail;

7 “(2) expedited mail;

8 “(3) bulk parcel post;

9 “(4) bulk international mail; and

10 “(5) mailgrams;

11 subject to subsection (d) and any changes the Postal Regu-
12 latory Commission may make under section 3642.

13 “(b) *DEFINITION.*—For purposes of this subchapter,
14 the term ‘costs attributable’, as used with respect to a prod-
15 uct, means the direct and indirect postal costs attributable
16 to such product.

17 “(c) *RULE OF CONSTRUCTION.*—Mail matter referred
18 to in subsection (a) shall, for purposes of this subchapter,
19 be considered to have the meaning given to such mail matter
20 under the mail classification schedule.

21 “(d) *LIMITATION.*—Notwithstanding any other provi-
22 sion of this section, nothing in this subchapter shall be con-
23 sidered to apply with respect to any product then currently
24 in the market-dominant category of mail.

1 **“§ 3632. Action of the Governors**

2 “(a) *AUTHORITY TO ESTABLISH RATES AND CLASS-*
3 *ES.*—*The Governors, with the written concurrence of a ma-*
4 *jority of all of the Governors then holding office, shall estab-*
5 *lish rates and classes for products in the competitive cat-*
6 *egory of mail in accordance with the requirements of this*
7 *subchapter and regulations promulgated under section*
8 *3633.*

9 “(b) *PROCEDURES.*—

10 “(1) *IN GENERAL.*—*Rates and classes shall be es-*
11 *tablished in writing, complete with a statement of ex-*
12 *planation and justification, and the date as of which*
13 *each such rate or class takes effect.*

14 “(2) *PUBLIC NOTICE; REVIEW; AND COMPLI-*
15 *ANCE.*—*Not later than 30 days before the date of im-*
16 *plementation of any adjustment in rates under this*
17 *section—*

18 “(A) *the Governors shall provide public no-*
19 *tice of the adjustment and an opportunity for re-*
20 *view by the Postal Regulatory Commission;*

21 “(B) *the Postal Regulatory Commission*
22 *shall notify the Governors of any noncompliance*
23 *of the adjustment with section 3633; and*

24 “(C) *the Governors shall respond to the no-*
25 *tice provided under subparagraph (B) and de-*

1 “SUBCHAPTER III—PROVISIONS RELATING TO
2 EXPERIMENTAL AND NEW PRODUCTS

3 “§ 3641. *Market tests of experimental products*

4 “(a) AUTHORITY.—

5 “(1) IN GENERAL.—The Postal Service may con-
6 duct market tests of experimental products in accord-
7 ance with this section.

8 “(2) PROVISIONS WAIVED.—A product shall not,
9 while it is being tested under this section, be subject
10 to the requirements of sections 3622, 3633, or 3642,
11 or regulations promulgated under those sections.

12 “(b) CONDITIONS.—A product may not be tested under
13 this section unless it satisfies each of the following:

14 “(1) SIGNIFICANTLY DIFFERENT PRODUCT.—The
15 product is, from the viewpoint of the mail users, sig-
16 nificantly different from all products offered by the
17 Postal Service within the 2-year period preceding the
18 start of the test.

19 “(2) MARKET DISRUPTION.—The introduction or
20 continued offering of the product will not create an
21 unfair or otherwise inappropriate competitive advan-
22 tage for the Postal Service or any mailer, particularly
23 in regard to small business concerns (as defined under
24 subsection (h)).

1 “(1) *IN GENERAL.*—*A product may only be test-*
 2 *ed under this section if the total revenues that are an-*
 3 *ticipated, or in fact received, by the Postal Service*
 4 *from such product do not exceed \$10,000,000 in any*
 5 *year, subject to paragraph (2) and subsection (g).*

6 “(2) *EXEMPTION AUTHORITY.*—*The Postal Regu-*
 7 *latory Commission may, upon written application of*
 8 *the Postal Service, exempt the market test from the*
 9 *limit in paragraph (1) if the total revenues that are*
 10 *anticipated, or in fact received, by the Postal Service*
 11 *from such product do not exceed \$50,000,000 in any*
 12 *year, subject to subsection (g). In reviewing an appli-*
 13 *cation under this paragraph, the Postal Regulatory*
 14 *Commission shall approve such application if it de-*
 15 *termines that—*

16 “(A) *the product is likely to benefit the pub-*
 17 *lic and meet an expected demand;*

18 “(B) *the product is likely to contribute to*
 19 *the financial stability of the Postal Service; and*

20 “(C) *the product is not likely to result in*
 21 *unfair or otherwise inappropriate competition.*

22 “(f) *CANCELLATION.*—*If the Postal Regulatory Com-*
 23 *mission at any time determines that a market test under*
 24 *this section fails to meet 1 or more of the requirements of*
 25 *this section, it may order the cancellation of the test in-*

1 “(e) *PROHIBITION*.—*Except as provided in section*
2 *3641, no product that involves the physical delivery of let-*
3 *ters, printed matter, or packages may be offered by the Post-*
4 *al Service unless it has been assigned to the market-domi-*
5 *nant or competitive category of mail (as appropriate) ei-*
6 *ther—*

7 “(1) *under this subchapter; or*

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

9 **SEC. 204. REPORTING REQUIREMENTS AND RELATED PRO-**
10 **VISIONS.**

11 (a) *REDESIGNATION*.—*Chapter 36 of title 39, United*
12 *States Code (as in effect before the amendment made by sub-*
13 *section (b)) is amended—*

14 (1) *by striking the heading for subchapter IV*
15 *and inserting the following:*

16 “*SUBCHAPTER V—POSTAL SERVICES,*
17 *COMPLAINTS, AND JUDICIAL REVIEW*”; and

18 (2) *by striking the heading for subchapter V and*
19 *inserting the following:*

20 “*SUBCHAPTER VI—GENERAL*”.

21 (b) *REPORTS AND COMPLIANCE*.—*Chapter 36 of title*
22 *39, United States Code, is amended by inserting after sub-*
23 *chapter III the following:*

1 “(2) which shall, for each market-dominant
 2 product provided in such year, provide—

3 “(A) product information, including mail
 4 volumes; and

5 “(B) measures of the service afforded by the
 6 Postal Service in connection with such product,
 7 including—

8 “(i) the level of service (described in
 9 terms of speed of delivery and reliability)
 10 provided; and

11 “(ii) the degree of customer satisfaction
 12 with the service provided.

13 *Before submitting a report under this subsection (including*
 14 *any annex to the report and the information required under*
 15 *subsection (b)), the Postal Service shall have the informa-*
 16 *tion contained in such report (and annex) audited by the*
 17 *Inspector General. The results of any such audit shall be*
 18 *submitted along with the report to which it pertains.*

19 “(b) *INFORMATION RELATING TO WORKSHARE DIS-*
 20 *COUNTS.—The Postal Service shall include, in each report*
 21 *under subsection (a), the following information with respect*
 22 *to each market-dominant product for which a workshare*
 23 *discount was in effect during the period covered by such*
 24 *report:*

1 “(1) *The per-item cost avoided by the Postal*
 2 *Service by virtue of such discount.*

3 “(2) *The percentage of such per-item cost avoided*
 4 *that the per-item workshare discount represents.*

5 “(3) *The per-item contribution made to institu-*
 6 *tional costs.*

7 “(c) *SERVICE AGREEMENTS AND MARKET TESTS.—In*
 8 *carrying out subsections (a) and (b) with respect to service*
 9 *agreements (including service agreements entered into*
 10 *under section 3623) and experimental products offered*
 11 *through market tests under section 3641 in a year, the Post-*
 12 *al Service—*

13 “(1) *may report summary data on the costs, rev-*
 14 *enues, and quality of service by service agreement and*
 15 *market test; and*

16 “(2) *shall report such data as the Postal Regu-*
 17 *latory Commission requires.*

18 “(d) *SUPPORTING MATTER.—The Postal Regulatory*
 19 *Commission shall have access, in accordance with such reg-*
 20 *ulations as the Commission shall prescribe, to the working*
 21 *papers and any other supporting matter of the Postal Serv-*
 22 *ice and the Inspector General in connection with any infor-*
 23 *mation submitted under this section.*

24 “(e) *CONTENT AND FORM OF REPORTS.—*

1 *mission gains access under this section shall be sub-*
2 *ject to paragraphs (2) and (3) of section 504(g) in the*
3 *same way as if the Commission had received notifica-*
4 *tion with respect to such matter under section*
5 *504(g)(1).*

6 “(g) *OTHER REPORTS.*—*The Postal Service shall sub-*
7 *mit to the Postal Regulatory Commission, together with any*
8 *other submission that the Postal Service is required to make*
9 *under this section in a year, copies of its then most recent—*

10 “(1) *comprehensive statement under section*
11 *2401(e);*

12 “(2) *strategic plan under section 2802;*

13 “(3) *performance plan under section 2803; and*

14 “(4) *program performance reports under section*
15 *2804.*

16 “§ 3653. ***Annual determination of compliance***

17 “(a) *OPPORTUNITY FOR PUBLIC COMMENT.*—*After re-*
18 *ceiving the reports required under section 3652 for any*
19 *year, the Postal Regulatory Commission shall promptly*
20 *provide an opportunity for comment on such reports by*
21 *users of the mails, affected parties, and an officer of the*
22 *Commission who shall be required to represent the interests*
23 *of the general public.*

24 “(b) *DETERMINATION OF COMPLIANCE OR NONCOMPLI-*
25 *ANCE.*—*Not later than 90 days after receiving the submis-*

1 sions required under section 3652 with respect to a year,
2 the Postal Regulatory Commission shall make a written de-
3 termination as to—

4 “(1) whether any rates or fees in effect during
5 such year (for products individually or collectively)
6 were not in compliance with applicable provisions of
7 this chapter (or regulations promulgated thereunder);
8 or

9 “(2) whether any service standards in effect dur-
10 ing such year were not met.

11 If, with respect to a year, no instance of noncompliance
12 is found under this subsection to have occurred in such year,
13 the written determination shall be to that effect.

14 “(c) IF ANY NONCOMPLIANCE IS FOUND.—If, for a
15 year, a timely written determination of noncompliance is
16 made under subsection (b), the Postal Regulatory Commis-
17 sion shall take any appropriate remedial action authorized
18 by section 3662(c).

19 “(d) REBUTTABLE PRESUMPTION.—A timely written
20 determination described in the last sentence of subsection
21 (b) shall, for purposes of any proceeding under section 3662,
22 create a rebuttable presumption of compliance by the Postal
23 Service (with regard to the matters described in paragraphs
24 (1) through (3) of subsection (b)) during the year to which
25 such determination relates.”.

1 **SEC. 205. COMPLAINTS; APPELLATE REVIEW AND ENFORCE-**
2 **MENT.**

3 *Chapter 36 of title 39, United States Code, is amended*
4 *by striking sections 3662 and 3663 and inserting the fol-*
5 *lowing:*

6 **“§ 3662. Rate and service complaints**

7 *“(a) IN GENERAL.—Any person (including an officer*
8 *of the Postal Regulatory Commission representing the inter-*
9 *ests of the general public) who believes the Postal Service*
10 *is not operating in conformance with the requirements of*
11 *chapter 1, 4, or 6, or this chapter (or regulations promul-*
12 *gated under any of those chapters) may lodge a complaint*
13 *with the Postal Regulatory Commission in such form and*
14 *manner as the Commission may prescribe.*

15 *“(b) PROMPT RESPONSE REQUIRED.—*

16 *“(1) IN GENERAL.—The Postal Regulatory Com-*
17 *mission shall, within 90 days after receiving a com-*
18 *plaint under subsection (a), either—*

19 *“(A) begin proceedings on such complaint;*

20 *or*

21 *“(B) issue an order dismissing the com-*
22 *plaint (together with a statement of the reasons*
23 *therefor).*

24 *“(2) TREATMENT OF COMPLAINTS NOT TIMELY*
25 *ACTED ON.—For purposes of section 3663, any com-*
26 *plaint under subsection (a) on which the Commission*

1 *fails to act in the time and manner required by para-*
 2 *graph (1) shall be treated in the same way as if it*
 3 *had been dismissed under an order issued by the*
 4 *Commission on the last day allowable for the issuance*
 5 *of such order under paragraph (1).*

6 “(c) ACTION REQUIRED IF COMPLAINT FOUND TO BE
 7 JUSTIFIED.—*If the Postal Regulatory Commission finds the*
 8 *complaint to be justified, it shall order that the Postal Serv-*
 9 *ice take such action as the Commission considers appro-*
 10 *priate in order to achieve compliance with the applicable*
 11 *requirements and to remedy the effects of any noncompli-*
 12 *ance including ordering unlawful rates to be adjusted to*
 13 *lawful levels, ordering the cancellation of market tests, or-*
 14 *dering the Postal Service to discontinue providing loss-mak-*
 15 *ing products, and requiring the Postal Service to make up*
 16 *for revenue shortfalls in competitive products.*

17 “(d) AUTHORITY TO ORDER FINES IN CASES OF DE-
 18 LIBERATE NONCOMPLIANCE.—*In addition, in cases of delib-*
 19 *erate noncompliance by the Postal Service with the require-*
 20 *ments of this title, the Postal Regulatory Commission may*
 21 *order, based on the nature, circumstances, extent, and seri-*
 22 *ousness of the noncompliance, a fine (in the amount speci-*
 23 *fied by the Commission in its order) for each incidence of*
 24 *noncompliance. Fines resulting from the provision of com-*
 25 *petitive products shall be paid out of the Competitive Prod-*

- “3623. Service agreements for market-dominant products.*
- “[3624. Repealed.]*
- “[3625. Repealed.]*
- “3626. Reduced Rates.*
- “3627. Adjusting free rates.*
- “[3628. Repealed.]*
- “3629. Reduced rates for voter registration purposes.*

“SUBCHAPTER II—PROVISIONS RELATING TO COMPETITIVE PRODUCTS

- “3631. Applicability; definitions and updates.*
- “3632. Action of the Governors.*
- “3633. Provisions applicable to rates for competitive products.*
- “3634. Assumed Federal income tax on competitive products.*

“SUBCHAPTER III—PROVISIONS RELATING TO EXPERIMENTAL AND NEW PRODUCTS

- “3641. Market tests of experimental products.*
- “3642. New products and transfers of products between the market-dominant and competitive categories of mail.*

“SUBCHAPTER IV—REPORTING REQUIREMENTS AND RELATED PROVISIONS

- “3651. Annual reports by the Commission.*
- “3652. Annual reports to the Commission.*
- “3653. Annual determination of compliance.*

“SUBCHAPTER V—POSTAL SERVICES, COMPLAINTS, AND JUDICIAL REVIEW

- “3661. Postal Services.*
- “3662. Rate and service complaints.*
- “3663. Appellate review.*
- “3664. Enforcement of orders.*

“SUBCHAPTER VI—GENERAL

- “3681. Reimbursement.*
- “3682. Size and weight limits.*
- “3683. Uniform rates for books; films, other materials.*
- “3684. Limitations.*
- “3685. Filing of information relating to periodical publications.*
- “3686. Bonus authority.*

“SUBCHAPTER VII—MODERN SERVICE STANDARDS

- “3691. Establishment of modern service standards.”.*

1 **TITLE III—MODERN SERVICE**
2 **STANDARDS**

3 **SEC. 301. ESTABLISHMENT OF MODERN SERVICE STAND-**
4 **ARDS.**

5 *Chapter 36 of title 39, United States Code, as amended*
6 *by this Act, is further amended by adding at the end the*
7 *following:*

8 **“SUBCHAPTER VII—MODERN SERVICE**
9 **STANDARDS**

10 **“§ 3691. Establishment of modern service standards**

11 **“(a) AUTHORITY GENERALLY.—***The Postal Regulatory*
12 *Commission shall, within 12 months after the date of the*
13 *enactment of this section, by regulation establish (and may*
14 *from time to time thereafter by regulation revise) a set of*
15 *service standards for market-dominant products consistent*
16 *with sections 101 (a) and (b) and 403.*

17 **“(b) OBJECTIVES.—***Such standards shall be designed*
18 *to achieve the following objectives:*

19 **“(1)** *To enhance and preserve the value of postal*
20 *services to both senders and recipients.*

21 **“(2)** *To provide a system of objective external*
22 *performance measurements for each market-dominant*
23 *product as a basis for measurement of Postal Service*
24 *performance.*

1 *ing estimated timeframes, criteria and processes to be*
2 *used for making changes to the facilities network, and*
3 *the process for engaging policy makers and the public*
4 *in related decisions;*

5 (2) *an update on how postal decisions related to*
6 *mail changes, security, automation initiatives,*
7 *worksharing, information technology systems, and*
8 *other areas will impact network rationalization*
9 *plans;*

10 (3) *a discussion of what impact any facility*
11 *changes may have on the postal workforce and wheth-*
12 *er the Postal Service has sufficient flexibility to make*
13 *needed workforce changes; and*

14 (4) *an identification of anticipated costs, cost*
15 *savings, and other benefits associated with the infra-*
16 *structure rationalization alternatives discussed in the*
17 *plan.*

18 (d) *ALTERNATE RETAIL OPTIONS.—The Postal Service*
19 *plan shall include plans to expand and market retail access*
20 *to postal services, in addition to post offices, including—*

21 (1) *vending machines;*

22 (2) *the Internet;*

23 (3) *Postal Service employees on delivery routes;*

1 (4) retail facilities in which overhead costs are
2 shared with private businesses and other government
3 agencies; or

4 (5) any other nonpost office access channel pro-
5 viding market retail access to postal services.

6 (e) REEMPLOYMENT ASSISTANCE AND RETIREMENT
7 BENEFITS.—*The Postal Service plan shall include—*

8 (1) a plan under which reemployment assistance
9 shall be afforded to employees displaced as a result of
10 the automation of any of its functions or the closing
11 and consolidation of any of its facilities; and

12 (2) a plan, developed in consultation with the
13 Office of Personnel Management, to offer early retire-
14 ment benefits.

15 (f) INSPECTOR GENERAL REPORT.—

16 (1) IN GENERAL.—*Before submitting the plan*
17 *under this section to Congress, the Postal Service shall*
18 *submit the plan to the Inspector General of the*
19 *United States Postal Service in a timely manner to*
20 *carry out this subsection.*

21 (2) REPORT.—*The Inspector General shall pre-*
22 *pare a report describing the extent to which the Postal*
23 *Service plan—*

1 (A) *is consistent with the continuing obliga-*
 2 *tions of the Postal Service under title 39, United*
 3 *States Code; and*

4 (B) *provides for the Postal Service to meet*
 5 *the service standards established under section*
 6 *3691.*

7 (3) *SUBMISSION OF REPORT.—The Postal Serv-*
 8 *ice shall submit the report of the Inspector General*
 9 *under this subsection with the plan submitted to Con-*
 10 *gress under subsection (a).*

11 **TITLE IV—PROVISIONS RELAT-** 12 **ING TO FAIR COMPETITION**

13 **SEC. 401. POSTAL SERVICE COMPETITIVE PRODUCTS FUND.**

14 (a) *PROVISIONS RELATING TO POSTAL SERVICE COM-*
 15 *PETITIVE PRODUCTS FUND AND RELATED MATTERS.—*

16 (1) *IN GENERAL.—Chapter 20 of title 39, United*
 17 *States Code, is amended by adding at the end the fol-*
 18 *lowing:*

19 **“§2011. Provisions relating to competitive products**

20 *“(a) There is established in the Treasury of the United*
 21 *States a revolving fund, to be called the Postal Service Com-*
 22 *petitive Products Fund, which shall be available to the Post-*
 23 *al Service without fiscal year limitation for the payment*
 24 *of—*

1 *deposited in a Federal Reserve bank or a depository for*
2 *public funds.*

3 “(e)(1) *Subject to the limitations specified in section*
4 *2005(a), the Postal Service is authorized to borrow money*
5 *and to issue and sell such obligations as it determines nec-*
6 *essary to provide for competitive products and deposit such*
7 *amounts in the Competitive Products Fund, except that the*
8 *Postal Service may pledge only assets related to the provi-*
9 *sion of competitive products (as determined under sub-*
10 *section (h) or, for purposes of any period before accounting*
11 *practices and principles under subsection (h) have been es-*
12 *tablished and applied, the best information available from*
13 *the Postal Service, including the audited statements re-*
14 *quired by section 2008(e)), and the revenues and receipts*
15 *from such products, for the payment of the principal of or*
16 *interest on such obligations, for the purchase or redemption*
17 *thereof, and for other purposes incidental thereto, including*
18 *creation of reserve, sinking, and other funds which may be*
19 *similarly pledged and used, to such extent and in such man-*
20 *ner as the Postal Service determines necessary or desirable.*

21 “(2) *The Postal Service may enter into binding cov-*
22 *enants with the holders of such obligations, and with the*
23 *trustee, if any, under any agreement entered into in connec-*
24 *tion with the issuance thereof with respect to—*

1 “(A) *the establishment of reserve, sinking, and*
2 *other funds;*

3 “(B) *application and use of revenues and re-*
4 *ceipts of the Competitive Products Fund;*

5 “(C) *stipulations concerning the subsequent*
6 *issuance of obligations or the execution of leases or*
7 *lease purchases relating to properties of the Postal*
8 *Service; and*

9 “(D) *such other matters as the Postal Service*
10 *considers necessary or desirable to enhance the mar-*
11 *ketability of such obligations.*

12 “(3) *Obligations issued by the Postal Service under*
13 *this subsection—*

14 “(A) *may not be purchased by the Secretary of*
15 *the Treasury;*

16 “(B) *shall not be exempt either as to principal*
17 *or interest from any taxation now or hereafter im-*
18 *posed by any State or local taxing authority;*

19 “(C) *shall not be obligations of, nor shall pay-*
20 *ment of the principal thereof or interest thereon be*
21 *guaranteed by, the Government of the United States,*
22 *and the obligations shall so plainly state; and*

23 “(D) *notwithstanding the provisions of the Fed-*
24 *eral Financing Bank Act of 1973 or any other provi-*
25 *sion of law (except as specifically provided by ref-*

1 *erence to this subparagraph in a law enacted after*
2 *this subparagraph takes effect), shall not be eligible*
3 *for purchase by, commitment to purchase by, or sale*
4 *or issuance to, the Federal Financing Bank.*

5 *“(4)(A) This paragraph applies with respect to the pe-*
6 *riod beginning on the date of the enactment of this para-*
7 *graph and ending at the close of the 5-year period which*
8 *begins on the date on which the Postal Service makes its*
9 *submission under subsection (h)(1).*

10 *“(B) During the period described in subparagraph (A),*
11 *nothing in subparagraph (A) or (D) of paragraph (3) or*
12 *the last sentence of section 2006(b) shall, with respect to*
13 *any obligations sought to be issued by the Postal Service*
14 *under this subsection, be considered to affect such obliga-*
15 *tions’ eligibility for purchase by, commitment to purchase*
16 *by, or sale or issuance to, the Federal Financing Bank.*

17 *“(C) The Federal Financing Bank may elect to pur-*
18 *chase such obligations under such terms, including rates of*
19 *interest, as the Bank and the Postal Service may agree, but*
20 *at a rate of yield no less than the prevailing yield on out-*
21 *standing marketable securities of comparable maturity*
22 *issued by entities with the same credit rating as the rating*
23 *then most recently obtained by the Postal Service under sub-*
24 *paragraph (D), as determined by the Bank.*

1 “(b) *COMPUTATION AND TRANSFER REQUIREMENTS.*—
 2 *The Postal Service shall, for each year beginning with the*
 3 *year in which occurs the deadline for the Postal Service’s*
 4 *first report to the Postal Regulatory Commission under sec-*
 5 *tion 3652(a)—*

6 “(1) *compute its assumed Federal income tax on*
 7 *competitive products income for such year; and*

8 “(2) *transfer from the Competitive Products*
 9 *Fund to the Postal Service Fund the amount of that*
 10 *assumed tax.*

11 “(c) *DEADLINE FOR TRANSFERS.*—*Any transfer re-*
 12 *quired to be made under this section for a year shall be*
 13 *due on or before the January 15th next occurring after the*
 14 *close of such year.”*

15 ***SEC. 403. UNFAIR COMPETITION PROHIBITED.***

16 (a) *SPECIFIC LIMITATIONS.*—*Chapter 4 of title 39,*
 17 *United States Code, is amended by adding after section 404*
 18 *the following:*

19 ***“§ 404a. Specific limitations***

20 “(a) *Except as specifically authorized by law, the Post-*
 21 *al Service may not—*

22 “(1) *establish any rule or regulation (including*
 23 *any standard) the effect of which is to preclude com-*
 24 *petition or establish the terms of competition unless*
 25 *the Postal Service demonstrates that the regulation*

1 *For purposes of the preceding sentence, any private carriage*
 2 *of mail allowable by virtue of section 601 shall not be con-*
 3 *sidered a service reserved to the United States under section*
 4 *1696 of title 18.*

5 “(2) *No damages, interest on damages, costs or attor-*
 6 *ney’s fees may be recovered, and no criminal liability may*
 7 *be imposed, under the antitrust laws (as so defined) from*
 8 *any officer or employee of the Postal Service, or other Fed-*
 9 *eral agency acting on behalf of or in concert with the Postal*
 10 *Service, acting in an official capacity.*

11 “(3) *This subsection shall not apply with respect to*
 12 *conduct occurring before the date of the enactment of this*
 13 *subsection.*

14 “(f) *To the extent that the Postal Service engages in*
 15 *conduct with respect to the provision of competitive prod-*
 16 *ucts, it shall be considered a person for the purposes of the*
 17 *Federal bankruptcy laws.*

18 “(g)(1) *Each building constructed or altered by the*
 19 *Postal Service shall be constructed or altered, to the max-*
 20 *imum extent feasible as determined by the Postal Service,*
 21 *in compliance with 1 of the nationally recognized model*
 22 *building codes and with other applicable nationally recog-*
 23 *nized codes.*

24 “(2) *Each building constructed or altered by the Postal*
 25 *Service shall be constructed or altered only after consider-*

1 ation of all requirements (other than procedural require-
 2 ments) of zoning laws, land use laws, and applicable envi-
 3 ronmental laws of a State or subdivision of a State which
 4 would apply to the building if it were not a building con-
 5 structed or altered by an establishment of the Government
 6 of the United States.

7 “(3) For purposes of meeting the requirements of para-
 8 graphs (1) and (2) with respect to a building, the Postal
 9 Service shall—

10 “(A) in preparing plans for the building, consult
 11 with appropriate officials of the State or political
 12 subdivision, or both, in which the building will be lo-
 13 cated;

14 “(B) upon request, submit such plans in a time-
 15 ly manner to such officials for review by such officials
 16 for a reasonable period of time not exceeding 30 days;
 17 and

18 “(C) permit inspection by such officials during
 19 construction or alteration of the building, in accord-
 20 ance with the customary schedule of inspections for
 21 construction or alteration of buildings in the locality,
 22 if such officials provide to the Postal Service—

23 “(i) a copy of such schedule before construc-
 24 tion of the building is begun; and

1 **SEC. 405. INTERNATIONAL POSTAL ARRANGEMENTS.**

2 (a) *IN GENERAL.*—Section 407 of title 39, United
3 *States Code, is amended to read as follows:*

4 **“§ 407. International postal arrangements**

5 “(a) *It is the policy of the United States—*

6 “(1) *to promote and encourage communications*
7 *between peoples by efficient operation of international*
8 *postal services and other international delivery serv-*
9 *ices for cultural, social, and economic purposes;*

10 “(2) *to promote and encourage unrestricted and*
11 *undistorted competition in the provision of inter-*
12 *national postal services and other international deliv-*
13 *ery services, except where provision of such services by*
14 *private companies may be prohibited by law of the*
15 *United States;*

16 “(3) *to promote and encourage a clear distinc-*
17 *tion between governmental and operational respon-*
18 *sibilities with respect to the provision of international*
19 *postal services; and*

20 “(4) *to participate in multilateral and bilateral*
21 *agreements with other countries to accomplish these*
22 *objectives.*

23 “(b)(1) *The Secretary of State shall be responsible for*
24 *formulation, coordination, and oversight of foreign policy*
25 *related to international postal services and shall have the*
26 *power to conclude postal treaties and conventions, except*

1 *that the Secretary may not conclude any postal treaty or*
 2 *convention if such treaty or convention would, with respect*
 3 *to any competitive product, grant an undue or unreason-*
 4 *able preference to the Postal Service, a private provider of*
 5 *international postal services, or any other person.*

6 “(2) *In carrying out the responsibilities specified in*
 7 *paragraph (1), the Secretary of State shall exercise primary*
 8 *authority for the conduct of foreign policy with respect to*
 9 *international postal services, including the determination*
 10 *of United States positions and the conduct of United States*
 11 *participation in negotiations with foreign governments and*
 12 *international bodies. In exercising this authority, the Sec-*
 13 *retary—*

14 “(A) *shall coordinate with other agencies as ap-*
 15 *propriate, and in particular, should consider the au-*
 16 *thority vested by law or Executive order in the Postal*
 17 *Regulatory Commission, the Department of Com-*
 18 *merce, the Department of Transportation, and the Of-*
 19 *ice of the United States Trade Representative in this*
 20 *area;*

21 “(B) *shall maintain continuing liaison with*
 22 *other executive branch agencies concerned with postal*
 23 *and delivery services;*

24 “(C) *shall maintain continuing liaison with the*
 25 *Committee on Governmental Affairs of the Senate and*

1 *shipments in the same manner to both shipments by the*
2 *Postal Service and similar shipments by private companies.*

3 “(2) *In exercising the authority under subsection (b)*
4 *to conclude new postal treaties and conventions related to*
5 *international postal services and to renegotiate such treaties*
6 *and conventions, the Secretary of State shall, to the max-*
7 *imum extent practicable, take such measures as are within*
8 *the Secretary’s control to encourage the governments of*
9 *other countries to make available to the Postal Service and*
10 *private companies a range of nondiscriminatory customs*
11 *procedures that will fully meet the needs of all types of*
12 *American shippers. The Secretary of State shall consult*
13 *with the United States Trade Representative and the Com-*
14 *missioner of Customs in carrying out this paragraph.*

15 “(3) *The provisions of this subsection shall take effect*
16 *6 months after the date of the enactment of this subsection*
17 *or such earlier date as the Customs Service may determine*
18 *in writing.*”.

19 (b) *EFFECTIVE DATE.*—*Notwithstanding any provi-*
20 *sion of the amendment made by subsection (a), the author-*
21 *ity of the United States Postal Service to establish the rates*
22 *of postage or other charges on mail matter conveyed between*
23 *the United States and other countries shall remain avail-*
24 *able to the Postal Service until—*

1 (e) *AMENDMENT TO TITLE 44, UNITED STATES*
 2 *CODE.*—Section 3502(5) of title 44, United States Code, is
 3 amended by striking “Postal Rate Commission” and insert-
 4 ing “Postal Regulatory Commission”.

5 (f) *OTHER REFERENCES.*—Whenever a reference is
 6 made in any provision of law (other than this Act or a
 7 provision of law amended by this Act), regulation, rule, doc-
 8 ument, or other record of the United States to the Postal
 9 Rate Commission, such reference shall be considered a ref-
 10 erence to the Postal Regulatory Commission.

11 **SEC. 605. FINANCIAL TRANSPARENCY.**

12 Section 101 of title 39, United States Code, is amend-
 13 ed—

14 (1) by redesignating subsections (d) through (g)
 15 as subsections (e) through (h), respectively; and

16 (2) by inserting after subsection (c) the fol-
 17 lowing:

18 “(d) As an independent establishment of the executive
 19 branch of the Government of the United States, the Postal
 20 Service shall be subject to a high degree of transparency
 21 to ensure fair treatment of customers of the Postal Service’s
 22 market-dominant products and companies competing with
 23 the Postal Service’s competitive products.”.

TITLE VII—EVALUATIONS**SEC. 701. ASSESSMENTS OF RATEMAKING, CLASSIFICATION,
AND OTHER PROVISIONS.**

(a) *IN GENERAL.*—*The Postal Regulatory Commission shall, at least every 3 years, submit a report to the President and Congress concerning—*

(1) *the operation of the amendments made by this Act; and*

(2) *recommendations for any legislation or other measures necessary to improve the effectiveness or efficiency of the postal laws of the United States.*

(b) *POSTAL SERVICE VIEWS.*—*A report under this section shall be submitted only after reasonable opportunity has been afforded to the Postal Service to review the report and to submit written comments on the report. Any comments timely received from the Postal Service under the preceding sentence shall be attached to the report submitted under subsection (a).*

**SEC. 702. REPORT ON UNIVERSAL POSTAL SERVICE AND
THE POSTAL MONOPOLY.**

(a) *REPORT BY THE POSTAL REGULATORY COMMISSION.*—

(1) *IN GENERAL.*—*Not later than 12 months after the date of enactment of this Act, the Postal Regulatory Commission shall submit a report to the*

1 *President and Congress on universal postal service*
2 *and the postal monopoly in the United States (in this*
3 *section referred to as “universal service and the postal*
4 *monopoly”), including the monopoly on the delivery*
5 *of mail and on access to mailboxes.*

6 (2) *CONTENTS.—The report under this subsection*
7 *shall include—*

8 (A) *a comprehensive review of the history*
9 *and development of universal service and the*
10 *postal monopoly, including how the scope and*
11 *standards of universal service and the postal mo-*
12 *nopoly have evolved over time for the Nation and*
13 *its urban and rural areas;*

14 (B) *the scope and standards of universal*
15 *service and the postal monopoly provided under*
16 *current law (including sections 101 and 403 of*
17 *title 39, United States Code), and current rules,*
18 *regulations, policy statements, and practices of*
19 *the Postal Service;*

20 (C) *a description of any geographic areas,*
21 *populations, communities (including both urban*
22 *and rural communities), organizations, or other*
23 *groups or entities not currently covered by uni-*
24 *versal service or that are covered but that are re-*

1 *ceiving services deficient in scope or quality or*
2 *both; and*

3 *(D) the scope and standards of universal*
4 *service and the postal monopoly likely to be re-*
5 *quired in the future in order to meet the needs*
6 *and expectations of the United States public, in-*
7 *cluding all types of mail users, based on discus-*
8 *sion of such assumptions, alternative sets of as-*
9 *sumptions, and analyses as the Postal Service*
10 *considers plausible.*

11 *(b) RECOMMENDED CHANGES TO UNIVERSAL SERVICE*
12 *AND THE MONOPOLY.—The Postal Regulatory Commission*
13 *shall include in the report under subsection (a), and in all*
14 *reports submitted under section 701 of this Act—*

15 *(1) any recommended changes to universal serv-*
16 *ice and the postal monopoly as the Commission con-*
17 *siders appropriate, including changes that the Com-*
18 *mission may implement under current law and*
19 *changes that would require changes to current law,*
20 *with estimated effects of the recommendations on the*
21 *service, financial condition, rates, and security of*
22 *mail provided by the Postal Service;*

23 *(2) with respect to each recommended change de-*
24 *scribed under paragraph (1)—*

1 (A) an estimate of the costs of the Postal
2 Service attributable to the obligation to provide
3 universal service under current law; and

4 (B) an analysis of the likely benefit of the
5 current postal monopoly to the ability of the
6 Postal Service to sustain the current scope and
7 standards of universal service, including esti-
8 mates of the financial benefit of the postal mo-
9 nopoly to the extent practicable, under current
10 law; and

11 (3) such additional topics and recommendations
12 as the Commission considers appropriate, with esti-
13 mated effects of the recommendations on the service,
14 financial condition, rates, and the security of mail
15 provided by the Postal Service.

16 **SEC. 703. STUDY ON EQUAL APPLICATION OF LAWS TO COM-**
17 **PETITIVE PRODUCTS.**

18 (a) *IN GENERAL.*—The Federal Trade Commission
19 shall prepare and submit to the President and Congress,
20 and to the Postal Regulatory Commission, within 1 year
21 after the date of the enactment of this Act, a comprehensive
22 report identifying Federal and State laws that apply dif-
23 ferently to the United States Postal Service with respect to
24 the competitive category of mail (within the meaning of sec-
25 tion 102 of title 39, United States Code, as amended by

1 *section 101) and similar products provided by private com-*
2 *panies.*

3 (b) *RECOMMENDATIONS.*—*The Federal Trade Commis-*
4 *sion shall include such recommendations as it considers ap-*
5 *propriate for bringing such legal discrimination to an end,*
6 *and in the interim, to account under section 3633 of title*
7 *39, United States Code (as added by this Act), for the net*
8 *economic advantages provided by those laws.*

9 (c) *CONSULTATION.*—*In preparing its report, the Fed-*
10 *eral Trade Commission shall consult with the United States*
11 *Postal Service, the Postal Regulatory Commission, other*
12 *Federal agencies, mailers, private companies that provide*
13 *delivery services, and the general public, and shall append*
14 *to such report any written comments received under this*
15 *subsection.*

16 (d) *COMPETITIVE PRODUCT REGULATION.*—*The Postal*
17 *Regulatory Commission shall take into account the rec-*
18 *ommendations of the Federal Trade Commission in promul-*
19 *gating or revising the regulations required under section*
20 *3633 of title 39, United States Code.*

21 **SEC. 704. REPORT ON POSTAL WORKPLACE SAFETY AND**
22 **WORKPLACE-RELATED INJURIES.**

23 (a) *REPORT BY THE INSPECTOR GENERAL.*—

24 (1) *IN GENERAL.*—*No later than 6 months after*
25 *the enactment of this Act, the Inspector General of the*

1 *United States Postal Service shall submit a report to*
2 *Congress and the Postal Service that—*

3 *(A) details and assesses any progress the*
4 *Postal Service has made in improving workplace*
5 *safety and reducing workplace-related injuries*
6 *nationwide; and*

7 *(B) identifies opportunities for improve-*
8 *ment that remain with respect to such improve-*
9 *ments and reductions.*

10 *(2) CONTENTS.—The report under this subsection*
11 *shall also—*

12 *(A) discuss any injury reduction goals es-*
13 *tablished by the Postal Service;*

14 *(B) describe the actions that the Postal*
15 *Service has taken to improve workplace safety*
16 *and reduce workplace-related injuries, and assess*
17 *how successful the Postal Service has been in*
18 *meeting its injury reduction goal; and*

19 *(C) identify areas where the Postal Service*
20 *has failed to meet its injury reduction goals, ex-*
21 *plain the reasons why these goals were not met,*
22 *and identify opportunities for making further*
23 *progress in meeting these goals.*

24 *(b) REPORT BY THE POSTAL SERVICE.—*

1 (1) *REPORT TO CONGRESS.*—Not later than 6
2 months after receiving the report under subsection (a),
3 the Postal Service shall submit a report to Congress
4 detailing how it plans to improve workplace safety
5 and reduce workplace-related injuries nationwide, in-
6 cluding goals and metrics.

7 (2) *PROBLEM AREAS.*—The report under this
8 subsection shall also include plans, developed in con-
9 sultation with the Inspector General and employee
10 representatives, including representatives of each post-
11 al labor union and management association, for ad-
12 dressing the problem areas identified by the Inspector
13 General in the report under subsection (a)(2)(C).

14 **SEC. 705. STUDY ON RECYCLED PAPER.**

15 (a) *IN GENERAL.*—Within 12 months after the date
16 of enactment of this Act, the General Accounting Office shall
17 study and submit to the Congress, the Board of Governors
18 of the Postal Service, and to the Postal Regulatory Commis-
19 sion a report concerning—

20 (1) *the economic and environmental efficacy of*
21 *establishing rate incentives for mailers linked to the*
22 *use of recycled paper;*

23 (2) *a description of the accomplishments of the*
24 *Postal Service in each of the preceding 5 years involv-*
25 *ing recycling activities, including the amount of an-*

1 *nual revenue generated and savings achieved by the*
 2 *Postal Service as a result of its use of recycled paper*
 3 *and other recycled products and its efforts to recycle*
 4 *undeliverable and discarded mail and other mate-*
 5 *rials; and*

6 *(3) additional opportunities that may be avail-*
 7 *able for the United States Postal Service to engage in*
 8 *recycling initiatives and the projected costs and reve-*
 9 *nuces of undertaking such opportunities.*

10 *(b) RECOMMENDATIONS.—The report shall include rec-*
 11 *ommendations for any administrative or legislative actions*
 12 *that may be appropriate.*

13 ***TITLE VIII—POSTAL SERVICE RE-***
 14 ***TIREMENT AND HEALTH BEN-***
 15 ***EFITS FUNDING***

16 ***SEC. 801. SHORT TITLE.***

17 *This title may be cited as the “Postal Civil Service*
 18 *Retirement and Health Benefits Funding Amendments of*
 19 *2004”.*

20 ***SEC. 802. CIVIL SERVICE RETIREMENT SYSTEM.***

21 *(a) IN GENERAL.—Chapter 83 of title 5, United States*
 22 *Code, is amended—*

23 *(1) in section 8334(a)(1)(B), by striking clause*
 24 *(ii) and inserting the following:*

1 “(ii) *In the case of an employee of the United States*
2 *Postal Service, no amount shall be contributed under this*
3 *subparagraph.*”; and

4 (2) *by amending section 8348(h) to read as fol-*
5 *lows:*

6 “(h)(1) *In this subsection, the term ‘Postal surplus or*
7 *supplemental liability’ means the estimated difference, as*
8 *determined by the Office, between—*

9 “(A) *the actuarial present value of all future*
10 *benefits payable from the Fund under this subchapter*
11 *to current or former employees of the United States*
12 *Postal Service and attributable to civilian employ-*
13 *ment with the United States Postal Service; and*

14 “(B) *the sum of—*

15 “(i) *the actuarial present value of deduc-*
16 *tions to be withheld from the future basic pay of*
17 *employees of the United States Postal Service*
18 *currently subject to this subchapter under section*
19 *8334;*

20 “(ii) *that portion of the Fund balance, as of*
21 *the date the Postal surplus or supplemental li-*
22 *ability is determined, attributable to payments*
23 *to the Fund by the United States Postal Service*
24 *and its employees, minus benefit payments at-*
25 *tributable to civilian employment with the*

1 *United States Postal Service, plus the earnings*
2 *on such amounts while in the Fund; and*

3 *“(iii) any other appropriate amount, as de-*
4 *termined by the Office in accordance with gen-*
5 *erally accepted actuarial practices and prin-*
6 *ciples.*

7 *“(2)(A) Not later than June 30, 2006, the Office shall*
8 *determine the Postal surplus or supplemental liability, as*
9 *of September 30, 2005. If that result is a surplus, the*
10 *amount of the surplus shall be transferred to the Postal*
11 *Service Retiree Health Benefits Fund established under sec-*
12 *tion 8909a. If the result is a supplemental liability, the Of-*
13 *vice shall establish an amortization schedule, including a*
14 *series of annual installments commencing September 30,*
15 *2006, which provides for the liquidation of such liability*
16 *by September 30, 2043.*

17 *“(B) The Office shall redetermine the Postal surplus*
18 *or supplemental liability as of the close of the fiscal year,*
19 *for each fiscal year beginning after September 30, 2006,*
20 *through the fiscal year ending September 30, 2038. If the*
21 *result is a surplus, that amount shall remain in the Fund*
22 *until distribution is authorized under subparagraph (C),*
23 *and any prior amortization schedule for payments shall be*
24 *terminated. If the result is a supplemental liability, the Of-*
25 *vice shall establish a new amortization schedule, including*

1 *a series of annual installments commencing on September*
2 *30 of the subsequent fiscal year, which provides for the liq-*
3 *uidation of such liability by September 30, 2043.*

4 “(C) *As of the close of the fiscal years ending Sep-*
5 *tember 30, 2015, 2025, 2035, and 2039, if the result is a*
6 *surplus, that amount shall be transferred to the Postal Serv-*
7 *ice Retiree Health Benefits Fund, and any prior amortiza-*
8 *tion schedule for payments shall be terminated.*

9 “(D) *Amortization schedules established under this*
10 *paragraph shall be set in accordance with generally accept-*
11 *ed actuarial practices and principles, with interest com-*
12 *puted at the rate used in the most recent valuation of the*
13 *Civil Service Retirement System.*

14 “(E) *The United States Postal Service shall pay the*
15 *amounts so determined to the Office, with payments due*
16 *not later than the date scheduled by the Office.*

17 “(3) *Notwithstanding any other provision of law, in*
18 *computing the amount of any payment under any other*
19 *subsection of this section that is based upon the amount*
20 *of the unfunded liability, such payment shall be computed*
21 *disregarding that portion of the unfunded liability that the*
22 *Office determines will be liquidated by payments under this*
23 *subsection.”.*

24 (b) *CREDIT ALLOWED FOR MILITARY SERVICE.—In*
25 *the application of section 8348(g)(2) of title 5, United*

1 *States Code, for the fiscal year 2006, the Office of Personnel*
 2 *Management shall include, in addition to the amount other-*
 3 *wise computed under that paragraph, the amounts that*
 4 *would have been included for the fiscal years 2003 through*
 5 *2005 with respect to credit for military service of former*
 6 *employees of the United States Postal Service as though the*
 7 *Postal Civil Service Retirement System Funding Reform*
 8 *Act of 2003 (Public Law 108–18) had not been enacted,*
 9 *and the Secretary of the Treasury shall make the required*
 10 *transfer to the Civil Service Retirement and Disability*
 11 *Fund based on that amount.*

12 **SEC. 803. HEALTH INSURANCE.**

13 (a) *IN GENERAL.*—Chapter 89 of title 5, United States
 14 Code, is amended—

15 (1) *in section 8906(g)(2)(A), by striking “shall*
 16 *be paid by the United States Postal Service.” and in-*
 17 *serting “shall be paid first from the Postal Service*
 18 *Retiree Health Benefits Fund up to the amount con-*
 19 *tained in the Fund, with any remaining amount*
 20 *paid by the United States Postal Service.”; and*

21 (2) *by inserting after section 8909 the following:*

22 **“§ 8909a. Postal Service Retiree Health Benefit Fund**

23 “(a) *There is in the Treasury of the United States a*
 24 *Postal Service Retiree Health Benefits Fund which is ad-*
 25 *ministered by the Office of Personnel Management.*”

1 “(b) *The Fund is available without fiscal year limita-*
2 *tion for payments required under section 8906(g)(2)(A).*

3 “(c) *The Secretary of the Treasury shall immediately*
4 *invest, in interest-bearing securities of the United States*
5 *such currently available portions of the Fund as are not*
6 *immediately required for payments from the Fund. Such*
7 *investments shall be made in the same manner as invest-*
8 *ments for the Civil Service Retirement and Disability Fund*
9 *under section 8348.*

10 “(d)(1) *Not later than December 31, 2006, and by De-*
11 *cember 31 of each succeeding year, the Office shall compute*
12 *the net present value of the future payments required under*
13 *section 8906(g)(2)(A) and attributable to the service of Post-*
14 *al Service employees during the most recently ended fiscal*
15 *year.*

16 “(2)(A) *Not later than December 31, 2006, the Office*
17 *shall compute, and by December 31 of each succeeding year,*
18 *the Office shall recompute the difference between—*

19 “(i) *the net present value of the excess of future*
20 *payments required under section 8906(g)(2)(A) for*
21 *current and future United States Postal Service an-*
22 *nuityants as of the end of the fiscal year ending on*
23 *September 30 of that year; and*

1 “(ii)(I) the value of the assets of the Postal Re-
2 tiree Health Benefits Fund as of the end of the fiscal
3 year ending on September 30 of that year; and

4 “(II) the net present value computed under para-
5 graph (1).

6 “(B) Not later than December 31, 2006, the Office shall
7 compute, and by December 31 of each succeeding year shall
8 recompute, an amortization schedule including a series of
9 annual installments which provide for the liquidation by
10 January 31, 2046, or within 15 years, whichever is later,
11 of the net present value determined under subparagraph
12 (A), including interest at the rate used in that computation.

13 “(3) Not later than January 31, 2007, and by Janu-
14 ary 31 of each succeeding year, the United States Postal
15 Service shall pay into such Fund—

16 “(A) the net present value computed under para-
17 graph (1); and

18 “(B) the annual installment computed under
19 paragraph (2)(B).

20 “(4) Computations under this subsection shall be made
21 consistent with the assumptions and methodology used by
22 the Office for financial reporting under subchapter II of
23 chapter 35 of title 31.

1 “(5) *After consultation with the United States Postal*
 2 *Service, the Office shall promulgate any regulations the Of-*
 3 *fice determines necessary under this subsection.*”.

4 **(b) TECHNICAL AND CONFORMING AMENDMENT.**—*The*
 5 *table of sections for chapter 89 of title 5, United States*
 6 *Code, is amended by inserting after the item relating to*
 7 *section 8909 the following:*

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

8 **SEC. 804. REPEAL OF DISPOSITION OF SAVINGS PROVISION.**

9 *Section 3 of the Postal Civil Service Retirement Sys-*
 10 *tem Funding Reform Act of 2003 (Public Law 108–18) is*
 11 *repealed.*

12 **SEC. 805. EFFECTIVE DATES.**

13 **(a) IN GENERAL.**—*Except as provided under sub-*
 14 *section (b), this title shall take effect on October 1, 2005.*

15 **(b) TERMINATION OF EMPLOYER CONTRIBUTION.**—*The*
 16 *amendment made by paragraph (1) of section 802(a) shall*
 17 *take effect on the first day of the first pay period beginning*
 18 *on or after October 1, 2005.*

19 **TITLE IX—COMPENSATION FOR**
 20 **WORK INJURIES**

21 **SEC. 901. TEMPORARY DISABILITY; CONTINUATION OF PAY.**

22 **(a) TIME OF ACCRUAL OF RIGHT.**—*Section 8117 of*
 23 *title 5, United States Code, is amended—*

1 (1) *by striking “An employee” and inserting*
 2 *“(a) An employee other than a Postal Service em-*
 3 *ployee”;* and

4 (2) *by adding at the end the following:*

5 *“(b) A Postal Service employee is not entitled to com-*
 6 *pensation or continuation of pay for the first 3 days of tem-*
 7 *porary disability, except as provided under paragraph (3)*
 8 *of subsection (a). A Postal Service employee may use an-*
 9 *nual leave, sick leave, or leave without pay during that 3-*
 10 *day period, except that if the disability exceeds 14 days or*
 11 *is followed by permanent disability, the employee may have*
 12 *their sick leave or annual leave reinstated or receive pay*
 13 *for the time spent on leave without pay under this section.”.*

14 (b) *TECHNICAL AND CONFORMING AMENDMENT.—Sec-*
 15 *tion 8118(b)(1) of title 5, United States Code, is amended*
 16 *to read as follows:*

17 *“(1) without a break in time, except as provided*
 18 *under section 8117(b), unless controverted under regu-*
 19 *lations of the Secretary”.*

20 **SEC. 902. DISABILITY RETIREMENT FOR POSTAL EMPLOY-**
 21 **EES.**

22 (a) *TOTAL DISABILITY.—Section 8105 of title 5,*
 23 *United States Code, is amended—*

24 (1) *in subsection (a), by adding at the end the*
 25 *following: “This section applies to a Postal Service*

1 *employee, except as provided under subsection (c).”;*
2 *and*

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

4 “(c)(1) *In this subsection, the term ‘retirement age’ has*
5 *the meaning given under section 216(l)(1) of the Social Se-*
6 *curity Act (42 U.S.C. 416(l)(1)).*

7 “(2) *Notwithstanding any other provision of law, for*
8 *any injury occurring on or after the date of enactment of*
9 *the Postal Accountability and Enhancement Act, and for*
10 *any new claim for a period of disability commencing on*
11 *or after that date, the compensation entitlement for total*
12 *disability is converted to 50 percent of the monthly pay of*
13 *the employee on the later of—*

14 “(A) *the date on which the injured employee*
15 *reaches retirement age; or*

16 “(B) *1 year after the employee begins receiving*
17 *compensation.”.*

18 (b) *PARTIAL DISABILITY.—Section 8106 of title 5,*
19 *United States Code, is amended—*

20 (1) *in subsection (a), by adding at the end the*
21 *following: “This section applies to a Postal Service*
22 *employee, except as provided under subsection (d).”;*
23 *and*

24 (2) *by adding at the end the following:*

1 “(d)(1) *In this subsection, the term ‘retirement age’ has*
 2 *the meaning given under section 216(l)(1) of the Social Se-*
 3 *curity Act (42 U.S.C. 416(l)(1)).*

4 “(2) *Notwithstanding any other provision of law,*
 5 *for any injury occurring on or after the date of enact-*
 6 *ment of this subsection, and for any new claim for a*
 7 *period of disability commencing on or after that date,*
 8 *the compensation entitlement for partial disability is*
 9 *converted to 50 percent of the difference between the*
 10 *monthly pay of an employee and the monthly wage*
 11 *earning capacity of the employee after the beginning*
 12 *of partial disability on the later of—*

13 “(A) *the date on which the injured employee*
 14 *reaches retirement age; or*

15 “(B) *1 year after the employee begins re-*
 16 *ceiving compensation.”.*

17 **TITLE X—MISCELLANEOUS**

18 **SEC. 1001. EMPLOYMENT OF POSTAL POLICE OFFICERS.**

19 *Section 404 of title 39, United States Code (as amend-*
 20 *ed by this Act), is further amended by adding at the end*
 21 *the following:*

22 “(d) *The Postal Service may employ guards for all*
 23 *buildings and areas owned or occupied by the Postal Service*
 24 *or under the charge and control of the Postal Service, and*
 25 *may give such guards, with respect to such property, any*

1 *of the powers of special policemen provided under section*
2 *1315 of title 40. The Postmaster General, or the designee*
3 *of the Postmaster General, may take any action that the*
4 *Secretary of Homeland Security may take under section*
5 *1315 of title 40, with respect to that property.”.*

6 **SEC. 1002. EXPANDED CONTRACTING AUTHORITY.**

7 *(a) AMENDMENT TO TITLE 39, UNITED STATES*
8 *CODE.—*

9 *(1) CONTRACTS WITH AIR CARRIERS.—Sub-*
10 *section (d) of section 5402 of title 39, United States*
11 *Code, is amended to read as follows:*

12 *“(d)(1) The Postal Service may contract with any air*
13 *carrier for the transportation of mail by aircraft in inter-*
14 *state air transportation, including the rates therefor, either*
15 *through negotiations or competitive bidding.*

16 *“(2) Notwithstanding subsections (a) through (c), the*
17 *Postal Service may contract with any air carrier or foreign*
18 *air carrier for the transportation of mail by aircraft in for-*
19 *ign air transportation, including the rates therefor, either*
20 *through negotiations or competitive bidding, except that—*

21 *“(A) any such contract may be awarded only to*
22 *(i) an air carrier holding a certificate required by*
23 *section 41101 of title 49 or an exemption therefrom*
24 *issued by the Secretary of Transportation, (ii) a for-*
25 *ign air carrier holding a permit required by section*

1 41301 of title 49 or an exemption therefrom issued by
2 the Secretary of Transportation, or (iii) a combina-
3 tion of such air carriers or foreign air carriers (or
4 both);

5 “(B) mail transported under any such contract
6 shall not be subject to any duty-to-carry requirement
7 imposed by any provision of subtitle VII of title 49
8 or by any certificate, permit, or corresponding exemp-
9 tion authority issued by the Secretary of Transpor-
10 tation under that subtitle;

11 “(C) every contract that the Postal Service
12 awards to a foreign air carrier under this paragraph
13 shall be subject to the continuing requirement that air
14 carriers shall be afforded the same opportunity to
15 carry the mail of the country to and from which the
16 mail is transported and the flag country of the for-
17 eign air carrier, if different, as the Postal Service has
18 afforded the foreign air carrier; and

19 “(D) the Postmaster General shall consult with
20 the Secretary of Defense concerning actions that affect
21 the carriage of military mail transported in foreign
22 air transportation.

23 “(3) Paragraph (2) shall not be interpreted as sus-
24 pending or otherwise diminishing the authority of the Sec-
25 retary of Transportation under section 41310 of title 49.”.

1 (2) *DEFINITIONS.*—*Subsection (e) of section 5402*
2 *of title 39, United States Code, is amended to read as*
3 *follows:*

4 “(e) *For purposes of this section, the terms ‘air car-*
5 *rier’, ‘air transportation’, ‘foreign air carrier’, ‘foreign air*
6 *transportation’, ‘interstate air transportation’, and ‘mail’*
7 *shall have the meanings given such terms in section 40102*
8 *of title 49.’.*”

9 (b) *AMENDMENTS TO TITLE 49, UNITED STATES*
10 *CODE.*—

11 (1) *AUTHORITY OF POSTAL SERVICE TO PROVIDE*
12 *FOR INTERSTATE AIR TRANSPORTATION OF MAIL.*—
13 *Section 41901(a) of title 49, United States Code, is*
14 *amended to read as follows:*

15 “(a) *TITLE 39.*—*The United States Postal Service*
16 *may provide for the transportation of mail by aircraft in*
17 *air transportation under this chapter and under chapter*
18 *54 of title 39.’.*”

19 (2) *SCHEDULES FOR CERTAIN TRANSPORTATION*
20 *OF MAIL.*—*Section 41902(b)(1) of title 49, United*
21 *States Code, is amended by inserting before the semi-*
22 *colon at the end the following: “(other than foreign*
23 *air transportation of mail)’.*”

1 (3) *PRICES FOR FOREIGN TRANSPORTATION OF*
2 *MAIL.—Section 41907 of title 49, United States Code,*
3 *is amended—*

4 (A) *by striking “(a) LIMITATIONS.—”; and*
5 (B) *by striking subsection (b).*

6 (4) *CONFORMING AMENDMENTS.—Sections*
7 *41107, 41901(b)(1), 41902(a), 41903(a), and 41903(b)*
8 *of title 49, United States Code, are amended by strik-*
9 *ing “in foreign air transportation or”.*

Calendar No. 674

108TH CONGRESS
2^D SESSION

S. 2468

[Report No. 108-318]

A BILL

To reform the postal laws of the United States.

August 25, 2004

Reported with an amendment