

113TH CONGRESS
1ST SESSION

S. 1486

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

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2013

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

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Postal Reform Act of
5 2013”.

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

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

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

TITLE I—POSTAL SERVICE WORKFORCE

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

TITLE II—POSTAL SERVICE OPERATIONS

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

TITLE III—POSTAL SERVICE REVENUE

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

TITLE IV—POSTAL SERVICE GOVERNANCE

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

TITLE V—FEDERAL EMPLOYEES' COMPENSATION ACT

- Sec. 501. Short title; references.
- Sec. 502. Federal workers compensation reforms for retirement-age employees.
- Sec. 503. Augmented compensation for dependents.
- Sec. 504. Schedule compensation payments.
- Sec. 505. Vocational rehabilitation.
- Sec. 506. Reporting requirements.
- Sec. 507. Disability management review; independent medical examinations.
- Sec. 508. Waiting period.
- Sec. 509. Election of benefits.
- Sec. 510. Sanction for noncooperation with field nurses.
- Sec. 511. Subrogation of continuation of pay.
- Sec. 512. Integrity and compliance.
- Sec. 513. Amount of compensation.
- Sec. 514. Terrorism injuries; zones of armed conflict.
- Sec. 515. Technical and conforming amendments.
- Sec. 516. Regulations.
- Sec. 517. Effective date.

TITLE VI—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF REAL PROPERTY

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

1 **SEC. 3. DEFINITIONS.**

2 In this Act, the following definitions shall apply:

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

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

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

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

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

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

16 (A) in paragraph (1)—

17 (i) in subparagraph (A)—

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

20 (II) in clause (ii), by striking
 21 “and”;

1 (ii) in subparagraph (B)(ii), by strik-
2 ing the period at the end and inserting “;
3 and”; and

4 (iii) by adding at the end the fol-
5 lowing:

6 “(C) the product of—

7 “(i) the normal-cost percentage, as
8 determined for employees of the United
9 States Postal Service under paragraph (5),
10 multiplied by

11 “(ii) the aggregate amount of basic
12 pay payable by the United States Postal
13 Service, for the period involved, to employ-
14 ees of the United States Postal Service.”;
15 and

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

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

20 “(i) demographic factors specific to the
21 employees; and

22 “(ii) economic assumptions regarding wage
23 and salary growth that reflect the specific past,
24 and likely future, pay for the employees.

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

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

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

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

15 (2) INITIAL DETERMINATION.—Not later than
16 90 days after the date of enactment of this Act, the
17 Office shall determine the normal-cost percentage
18 for employees of the United States Postal Service in
19 accordance with the requirements under section
20 8423(a)(5) of title 5, United States Code, as added
21 by paragraph (1).

22 (b) POSTAL FUNDING SURPLUS OR LIABILITY.—

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

1 (A) by redesignating paragraph (5) as
2 paragraph (6); and

3 (B) by inserting after paragraph (4) the
4 following:

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

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

22 “(ii) Of the amount transferred under clause
23 (i), not more than \$6,000,000,000 may be used by
24 the United States Postal Service for the purposes of

1 repaying any obligation issued under section 2005(a)
2 of title 39.

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

13 (2) SUPPLEMENTAL LIABILITY CALCULA-
14 TION.—

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

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

23 (ii) by adding at the end the fol-
24 lowing:

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

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

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

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

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

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

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

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

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

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

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

24 “(II) If the result of the redetermination under sub-
25 clause (I) is a surplus, that amount shall remain in the

1 Fund until distribution is authorized under subparagraph
2 (C).

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

10 (ii) by adding at the end the fol-
11 lowing:

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

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

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

22 “(B) The United States Postal Service shall
23 provide any data or projections the Office requires
24 in order to carry out paragraphs (1) and (2) con-
25 sistent with subparagraph (A) of this paragraph.”.

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

4 (a) AUTHORITY TO NEGOTIATE RETIREMENT BEN-
5 EFIT TERMS.—

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

10 “(g)(1) In this subsection—

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

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

20 “(C) the term ‘not covered under the FERS de-
21 fined benefit plan’, with respect to an officer or em-
22 ployee of the Postal Service, means that service by
23 the officer or employee of the Postal Service as an
24 officer or employee of the Postal Service shall not be
25 creditable service for purposes of chapter 84 of title
26 5.

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

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

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

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

19 “(i) without regard to section 8422 of title 5,
20 and subject to subparagraph (C) of this paragraph
21 and paragraph (2)(B), the amounts to be deducted
22 and withheld from the pay of the new employees for
23 deposit in the Treasury of the United States to the
24 credit of the Civil Service Retirement and Disability
25 Fund;

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

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

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

17 “(C) The Postal Service shall, under section 8422(c)
18 of title 5, deposit in the Treasury to the credit of the Civil
19 Service Retirement and Disability Fund the amount that
20 the Postal Service would have deducted and withheld from
21 the basic pay of each officer and employee of the Postal
22 Service, except an officer or employee who is not covered
23 under the FERS defined benefit plan, without regard to
24 subparagraph (A)(i) or any agreement regarding amounts
25 to be deducted and withheld under subparagraph (A)(i).

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

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

13 (2) APPLICABILITY OF LAWS RELATING TO
 14 FEDERAL EMPLOYEES.—Section 1005 of title 39,
 15 United States Code, is amended—

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

19 (B) in subsection (f), in the second sen-
 20 tence—

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

22 and

23 (ii) by striking “this subsection.” and
 24 inserting “this subsection or subsection
 25 (g).”.

1 (b) SPECIAL RULES RELATING TO FERS COVERAGE
2 FOR COVERED POSTAL EMPLOYEES.—

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

6 **“§ 8426. Postal Service retirement**

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

12 (2) TECHNICAL AND CONFORMING AMEND-
13 MENTS.—The table of sections for chapter 84 of title
14 5, United States Code, is amended by adding at the
15 end the following:

“8426. Postal Service retirement.”.

16 **SEC. 103. RESTRUCTURING OF PAYMENTS FOR RETIREE**
17 **HEALTH BENEFITS.**

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

23 (b) POSTAL SERVICE RETIREE HEALTH BENEFITS
24 FUND.—Section 8909a of title 5, United States Code, is
25 amended—

1 (1) in subsection (d)—

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

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

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

17 “(i) 80 percent of the Postal Service actuarial
18 liability as of September 30 of the most recently
19 ended fiscal year; and

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

23 (B) in paragraph (3)—

24 (i) in subparagraph (A)—

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

3 (II) in clause (iv), by striking the
4 semicolon at the end and inserting a
5 period; and

6 (III) by striking clauses (v)
7 through (x); and

8 (ii) in subparagraph (B), by striking
9 “2017” and inserting “2016”;

10 (C) by amending paragraph (4) to read as
11 follows:

12 “(4) Computations under this subsection shall
13 be based on—

14 “(A) economic and actuarial methods and
15 assumptions consistent with the methods and
16 assumptions used in determining the Postal
17 surplus or supplemental liability under section
18 8348(h); and

19 “(B) any other methods and assumptions,
20 including a health care cost trend rate, that the
21 Director of the Office determines to be appro-
22 priate.”; and

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

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

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

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

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

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

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

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

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

24 (a) **DEFINITIONS.**—In this section—

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

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

6 (A) represented by a bargaining represent-
7 ative; or

8 (B) a member of the Postal Career Execu-
9 tive Service;

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

13 (4) the term “participant” means—

14 (A) a covered employee who is—

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

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

24 (B) an officer or employee of the Postal
25 Service who—

1 (i) is not a covered employee; and
2 (ii) elects to participate in the Postal
3 Service Health Benefits Plan; and

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

7 (b) COLLECTIVE BARGAINING.—

8 (1) IN GENERAL.—Consistent with section
9 1005(f) of title 39, United States Code, the Postal
10 Service may negotiate individually or jointly with
11 bargaining representatives and enter into a collective
12 bargaining agreement or agreements with 1 or more
13 of those bargaining representatives to establish a
14 single Postal Service Health Benefits Plan that—

15 (A) satisfies the conditions under sub-
16 section (c); and

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

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

24 (3) CONSULTATION WITH SUPERVISORY AND
25 MANAGERIAL PERSONNEL.—In the course of nego-

1 tiations under paragraph (1), the Postal Service
2 shall consult with each of the organizations of super-
3 visory and other managerial personnel that are rec-
4 ognized under section 1004 of title 39, United
5 States Code, concerning the views of the personnel
6 represented by each of those organizations.

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

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

18 (c) POSTAL SERVICE HEALTH BENEFITS PLAN.—

19 The Postal Service Health Benefits Plan—

20 (1) shall—

21 (A) be available for participation by—

22 (i) all covered employees represented
23 by a bargaining representative entering an
24 agreement described in subsection (b)(1);

25 and

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

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

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

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

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

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

12 (2) may provide dental benefits; and

13 (3) may provide vision benefits.

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

17 (1) the Postal Service shall implement the Post-
18 al Service Health Benefits Plan;

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

24 (3) unless the Postal Service Health Benefits
25 Plan is a health benefits plan offered under chapter

1 89 of title 5, United States Code, participants in the
2 Postal Service Health Benefits Plan may not partici-
3 pate as employees in the Federal Employees Health
4 Benefits Program.

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

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

16 (1) reports on the implementation of this sec-
17 tion; and

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

21 **SEC. 105. MEDICARE COORDINATION EFFORTS FOR POST-**
22 **AL SERVICE EMPLOYEES AND RETIREES.**

23 (a) ADDITIONAL ENROLLMENT OPTIONS UNDER
24 FEDERAL EMPLOYEES HEALTH BENEFITS PLANS.—

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

3 **“§ 8903c. Coordination with Medicare for Postal Serv-**
4 **ice employees and annuitants**

5 “(a) DEFINITIONS.—In this section—

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

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

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

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

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

21 “(B) an annuitant covered under this
22 chapter whose Government contribution is paid
23 by the Postal Service or the Postal Service Re-
24 tiree Health Benefits Fund under section
25 8906(g)(2).

1 “(b) ENROLLMENT OPTIONS.—

2 “(1) ESTABLISHMENT.—

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

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

20 “(2) ENROLLMENT ELIGIBILITY.—

21 “(A) IN GENERAL.—Any Postal Service
22 employee or annuitant, or family member of a
23 Postal Service employee or annuitant, who is
24 enrolled in Medicare part A and Medicare part

1 B may enroll in 1 of the enrollment options es-
2 tablished under paragraph (1).

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

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

18 “(4) ENROLLMENT OPTIONS.—

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

22 “(i) an individual option, for Postal
23 Service employees or annuitants enrolled in
24 Medicare part A and Medicare part B;

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

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

8 “(I) who are enrolled in Medicare
9 part A and Medicare part B; and

10 “(II) the family members of
11 whom are not enrolled in Medicare
12 part A or Medicare part B.

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

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

21 “(A) establish a separate risk pool for indi-
22 viduals eligible for coverage under any of those
23 options; and

24 “(B) ensure that—

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

11 “(ii) the cost savings described under
12 clause (i) result solely in the reduction
13 of—

14 “(I) the premiums paid by the
15 Postal Service employee or annuitant;
16 and

17 “(II) the Government contribu-
18 tions paid by the Postal Service or
19 other employer.

20 “(c) **POSTAL SERVICE CONSULTATION.**—The Office
21 shall establish the enrollment options and premiums under
22 this section in consultation with the Postal Service.”.

23 (b) **TECHNICAL AND CONFORMING AMENDMENTS.**—
24 The table of sections for chapter 89 of title 5, United

1 States Code, is amended by inserting after the item relat-
2 ing to section 8903b the following:

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

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

6 (d) SPECIAL ENROLLMENT PERIOD FOR POSTAL
7 SERVICE EMPLOYEES AND ANNUITANTS.—

8 (1) SPECIAL ENROLLMENT PERIOD.—Section
9 1837 of the Social Security Act (42 U.S.C. 1395p)
10 is amended by adding at the end the following new
11 subsection:

12 “(m)(1) In the case of any individual who, as of the
13 date of enactment of the Postal Reform Act of 2013, is
14 a Postal Service employee or annuitant (as defined in sec-
15 tion 8903c(a) of title 5, United States Code) at the time
16 the individual is entitled to part A under section 226 or
17 section 226A and who is eligible to enroll but who has
18 elected not to enroll (or to be deemed enrolled) during the
19 individual’s initial enrollment period, there shall be a spe-
20 cial enrollment period described in paragraph (2).

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

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

5 (2) WAIVER OF INCREASE OF PREMIUM.—Sec-
6 tion 1839(b) of the Social Security Act (42 U.S.C.
7 1395r(b)) is amended by striking “(i)(4) or (l)” and
8 inserting “(i)(4), (l), or (m)”.

9 **SEC. 106. LABOR DISPUTES.**

10 Section 1207(c) of title 39, United States Code, is
11 amended—

12 (1) in paragraph (2)—

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

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

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

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

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

24 “(4) Nothing in this section may be construed
25 to limit the relevant factors that the arbitration

1 board may take into consideration in rendering a de-
2 cision under paragraph (2).”.

3 **TITLE II—POSTAL SERVICE** 4 **OPERATIONS**

5 **SEC. 201. MAINTENANCE OF DELIVERY SERVICE STAND-** 6 **ARDS.**

7 During the 2-year period beginning on the date of
8 enactment of this Act, the Postal Service shall maintain
9 the service standards for first-class mail and periodicals
10 under part 121 of title 39, Code of Federal Regulations,
11 as in effect on the date of enactment of this Act.

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

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

19 (b) MORATORIUM ON CLOSURES OF POSTAL FACILI-
20 TIES.—During the 2-year period beginning on the date of
21 enactment of this Act, the Postal Service may not close
22 or consolidate any postal facility that is open as of the
23 date of enactment of this Act.

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

2 Section 404(d) of title 39, United States Code, is
3 amended—

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

6 (2) by striking paragraphs (1) through (4) and
7 inserting the following:

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

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

17 “(A) consider whether—

18 “(i) to discontinue the post office and an-
19 other post office located within a reasonable
20 distance;

21 “(ii) instead of discontinuing the post of-
22 fice—

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

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

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

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

6 “(I) through a letter carrier; or

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

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

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

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

20 “(A) shall consider, to the extent practicable
21 and appropriate—

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

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

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

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

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

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

22 “(vii) the proximity and accessibility of
23 other post offices;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (b) **IMPLEMENTATION.**—

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

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

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

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

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

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

24 (iii) the Commission.

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

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

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

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

24 (2) authorize any change in—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 “(3) RESIDENTIAL ADDRESS CONVERSION.—

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

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

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

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

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

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

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

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

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

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

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

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

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

1 “(B) a physical hardship prevents the post-
2 al customer from receiving his or her mail
3 through any other form of mail delivery.”.

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

“3692. Delivery point modernization.”.

7 **SEC. 206. POSTAL SERVICES FOR MARKET-DOMINANT**
8 **PRODUCTS.**

9 (a) IN GENERAL.—Strike section 3661 of title 39,
10 United States Code, and insert the following:

11 **“§ 3661. Postal services for market-dominant prod-**
12 **ucts**

13 “(a) GENERAL OBLIGATION.—The Postal Service
14 shall develop and promote adequate and efficient postal
15 services with respect to its market-dominant products.

16 “(b) CHANGE IN SERVICE.—The Board of Governors
17 of the Postal Service is authorized to determine whether
18 there should be a change in the nature of postal service
19 provided for market-dominant products that will generally
20 affect such service on a nationwide or substantially nation-
21 wide basis. The authority under this subsection may not
22 be delegated to the Postmaster General or to any other
23 individual or entity.

24 “(c) NOTICE, COMMENT, AND REVIEW.—

25 “(1) NOTICE.—

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (b) TECHNICAL AND CONFORMING AMENDMENT.—

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

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

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

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

10 (a) MODERN RATE SYSTEM.—

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

14 **“§ 3622. Modern rate system**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 “(d) NOTICE, COMMENT, AND REVIEW.—

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

25 “(A) not less than—

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

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

7 “(B) to—

8 “(i) the public, including by—

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

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

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

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

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

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

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

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

7 “(e) LIMITATIONS ON RATE ADJUSTMENTS.—

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

17 “(2) CONDITIONS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

6 “(f) WORKSHARE DISCOUNTS.—

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

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

17 “(A) the discount is—

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

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

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

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

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

8 “(ii) will be phased out over time;

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

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

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

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

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

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

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

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

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

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

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

23 “(2) either—

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

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

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

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

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

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

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

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

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

3 (A) by striking subsection (e);

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

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

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

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

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

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

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

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

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

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

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

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

8 (A) in subsection (a)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 “(2) For purposes of this subsection—

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

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

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

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

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

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

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

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

25 (c) CONFORMING AMENDMENTS.—

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

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

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

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

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

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

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

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

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

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

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

15 (a) MAILABILITY.—

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

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

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

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

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

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

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

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

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

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

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

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

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

2 “(II) provides a signature and pre-
3 sents a valid, government-issued photo
4 identification upon delivery.

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

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

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

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

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

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

17 (a) BOARD OF GOVERNORS.—Title 39, United States
18 Code, is amended by striking section 202 and inserting
19 the following:

20 **“§ 202. Board of Governors**

21 “(a) IN GENERAL.—The exercise of the power of the
22 Postal Service shall be directed by a Board of Governors
23 composed of 9 members appointed in accordance with this
24 section, each of whom shall be a voting member of the
25 Board.

1 “(b) MEMBERSHIP.—

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

4 “(A) the Postmaster General;

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

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

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

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

16 “(c) QUALIFICATIONS.—

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

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

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

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

11 “(e) COMPENSATION.—

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

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

22 “(f) TERMS.—

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

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

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

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

15 “(g) POSTMASTER GENERAL.—

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

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

22 “(h) DEPUTY POSTMASTER GENERAL.—

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

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

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

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

9 “(i) EXECUTIVE COMMITTEE.—

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

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

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

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

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

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

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

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

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

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

19 (c) INCUMBENTS; IMPLEMENTATION.—

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

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

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

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

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

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

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

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

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

3 (1) in section 102(3)—

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

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

7 (2) in section 203—

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

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

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

14 (a) ESTABLISHMENT.—

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

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

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

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

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

9 (c) MEMBERSHIP.—

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

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

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

18 (i) the majority leader of the Senate;

19 (ii) the minority leader of the Senate;

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

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

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

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

6 (B) a reputation for innovative thinking;

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

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

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

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

23 (5) MEETINGS; QUORUM; VACANCIES.—

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

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

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

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

10 (d) DUTIES AND POWERS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (e) PERSONNEL MATTERS.—

10 (1) ADVISORY COMMISSION MEMBERS.—

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

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

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

4 (2) STAFF.—

5 (A) APPOINTMENT AND COMPENSATION.—

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

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

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

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

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

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

19 (A) the President;

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

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

25 (D) the Board of Governors; and

1 (E) the Postmaster General.

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

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

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

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

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

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

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

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

21 (F) a strategy for future growth;

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

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

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

6 (1) DUTIES OF ADVISORY COMMISSION.—

7 (A) STUDY.—

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (2) POSTAL SERVICE STRATEGIC PLAN.—

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

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

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

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

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

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

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

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

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

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

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

18 (a) DEFINITIONS.—In this section—

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

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

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

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

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

9 (1) SOLVENCY PLAN REQUIRED.—

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

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

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

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

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

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

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

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

7 (D) projected changes in mail volume;

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

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

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

17 (3) REVIEW AND SUBMISSION TO CONGRESS.—

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

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

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

10 (4) UPDATES.—

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

16 (B) REVIEW BY BOARD OF GOVERNORS.—

17 The Board of Governors shall review and sub-
18 mit to Congress the updates under this para-
19 graph in accordance with paragraph (3).

20 (c) ANNUAL FINANCIAL PLAN AND BUDGET.—

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

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

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

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

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

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

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

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

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

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

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

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

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

10 (i) the Postmaster General;

11 (ii) the President;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (a) CHIEF INNOVATION OFFICER.—

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

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

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

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

8 “(1) the postal and shipping industry;

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

11 “(3) brand marketing strategy;

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

14 “(5) business process management.

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

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

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

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

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

“209. Chief Innovation Officer.”.

9 (b) INNOVATION STRATEGY.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (2) ANNUAL REPORT.—

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

1 (i) the Committee on Homeland Secu-
2 rity and Governmental Affairs of the Sen-
3 ate; and

4 (ii) the Committee on Oversight and
5 Government Reform of the House of Rep-
6 resentatives.

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

10 (i) an update of the initial report on
11 innovation strategy submitted under para-
12 graph (1);

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

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

22 (I) the revenue generated by each
23 product or service developed in ac-
24 cordance with the innovation strategy
25 under this section and the cost of de-

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

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

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

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

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

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

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

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

4 (a) DEFINITIONS.—In this section—

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

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

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

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

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

3 (1) be efficient and cost effective;

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

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

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

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

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

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

25 (1) in section 8G—

1 (A) in subsection (a)—

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

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

10 (iii) in paragraph (4)—

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

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

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

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

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

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

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

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

5 “(a) In this section—

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

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

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

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

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

3 “(ii) undercover operations;

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

6 “(iv) intelligence or counterintelligence matters;

7 or

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

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

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

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

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

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

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

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

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

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

14 (3) in section 12—

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

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

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

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

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

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

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

16 (c) APPLICABILITY.—

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

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

1 **TITLE V—FEDERAL EMPLOYEES’**
2 **COMPENSATION ACT**

3 **SEC. 501. SHORT TITLE; REFERENCES.**

4 (a) SHORT TITLE.—This title may be cited as the
5 “Workers’ Compensation Reform Act of 2013”.

6 (b) REFERENCES.—Except as otherwise expressly
7 provided, whenever in this title an amendment or repeal
8 is expressed in terms of an amendment to, or a repeal
9 of, a section or other provision, the reference shall be con-
10 sidered to be made to a section or other provision of title
11 5, United States Code.

12 **SEC. 502. FEDERAL WORKERS COMPENSATION REFORMS**
13 **FOR RETIREMENT-AGE EMPLOYEES.**

14 (a) CONVERSION OF ENTITLEMENT AT RETIREMENT
15 AGE.—

16 (1) DEFINITIONS.—Section 8101 is amended—

17 (A) in paragraph (18), by striking “and”
18 at the end;

19 (B) in paragraph (19), by striking “and”
20 at the end;

21 (C) in paragraph (20), by striking the pe-
22 riod at the end and inserting a semicolon; and

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

1 “(21) ‘retirement age’ has the meaning given
2 that term under section 216(l)(1) of the Social Secu-
3 rity Act (42 U.S.C. 416(l)(1));

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

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

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

14 “(A) who—

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

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

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

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

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

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

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

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

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

4 (2) TOTAL DISABILITY.—Section 8105 is
5 amended—

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

9 (B) by redesignating subsection (b) as sub-
10 section (c); and

11 (C) by inserting after subsection (a) the
12 following:

13 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-
14 MENT AGE.—

15 “(1) IN GENERAL.—Except as provided in para-
16 graph (2), the basic compensation for total disability
17 for an employee who has attained retirement age
18 shall be 50 percent of the monthly pay of the em-
19 ployee.

20 “(2) EXCEPTIONS.—

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

24 Paragraph (1) shall not apply to a covered

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

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

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

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

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

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

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

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

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

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

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

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

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

24 “(2) EXCEPTIONS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

19 “(2) EXCEPTIONS.—

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

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

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

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

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

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

23 (1) in subsection (a)—

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

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

4 (C) by striking “75 percent” each place it
5 appears and inserting “66²/₃ percent”;

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

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

10 “(b) EXCEPTIONS.—

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

15 “(A) the monthly rate of compensation for
16 disability that is subject to the maximum and
17 minimum monthly amounts under subsection
18 (a) shall include any augmented compensation
19 under section 8110; and

20 “(B) subsection (a) shall be applied by
21 substituting ‘75 percent’ for ‘66²/₃ percent’
22 each place it appears.

23 “(2) PARTIAL DISABILITY.—For a covered
24 claim for partial disability by an employee, until the

1 date that is 3 years after the date of enactment of
2 the Workers' Compensation Reform Act of 2013—

3 “(A) the monthly rate of compensation for
4 disability that is subject to the maximum and
5 minimum monthly amounts under subsection
6 (a) shall include any augmented compensation
7 under section 8110; and

8 “(B) subsection (a) shall be applied by
9 substituting ‘75 percent’ for ‘66²/₃ percent’
10 each place it appears.”; and

11 (4) in subsection (c), as redesignated by para-
12 graph (2), by striking “subsection (a)” and inserting
13 “subsections (a) and (b)”.

14 (c) DEATH BENEFITS GENERALLY.—Section 8133 is
15 amended—

16 (1) in subsections (a) and (e), by striking “75
17 percent” each place it appears and inserting “66²/₃
18 percent (except as provided in subsection (g))”; and

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

20 “(g) If the death occurred before the date of enact-
21 ment of the Workers' Compensation Reform Act of 2013,
22 subsections (a) and (e) shall be applied by substituting
23 ‘75 percent’ for ‘66²/₃ percent’ each place it appears.”.

24 (d) DEATH BENEFITS FOR CIVIL AIR PATROL VOL-
25 UNTEERS.—Section 8141 is amended—

1 (1) in subsection (b)(2)(B) by striking “75 per-
2 cent” and inserting “66²/₃ percent (except as pro-
3 vided in subsection (c))”;

4 (2) by redesignating subsection (c) as sub-
5 section (d); and

6 (3) by inserting after subsection (b) the fol-
7 lowing:

8 “(c) If the death occurred before the date of enact-
9 ment of the Workers’ Compensation Reform Act of 2013,
10 subsection (b)(2)(B) shall be applied by substituting ‘75
11 percent’ for ‘66²/₃ percent.’.”

12 **SEC. 504. SCHEDULE COMPENSATION PAYMENTS.**

13 Section 8107 is amended—

14 (1) in subsection (a), by striking “at the rate
15 of 66²/₃ percent of his monthly pay” and inserting
16 “at the rate specified under subsection (d)”; and

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

18 “(d) RATE FOR COMPENSATION.—

19 “(1) ANNUAL SALARY.—

20 “(A) IN GENERAL.—Except as provided in
21 paragraph (2), the rate under subsection (a)
22 shall be the rate of 66²/₃ percent of the annual
23 salary level established under subparagraph
24 (B), in a lump sum equal to the present value
25 (as calculated under subparagraph (C)) of the

1 amount of compensation payable under the
2 schedule.

3 “(B) ESTABLISHMENT.—

4 “(i) IN GENERAL.—The Secretary of
5 Labor shall establish an annual salary for
6 purposes of subparagraph (A) in the
7 amount the Secretary determines will re-
8 sult in the aggregate cost of payments
9 made under this section being equal to
10 what would have been the aggregate cost
11 of payments under this section if the
12 amendments made by section 504 of the
13 Workers’ Compensation Reform Act of
14 2013 had not been enacted.

15 “(ii) COST OF LIVING ADJUSTMENT.—
16 The annual salary established under clause
17 (i) shall be increased on March 1 of each
18 year by the amount determined by the Sec-
19 retary of Labor to represent the percent
20 change in the price index published for De-
21 cember of the preceding year over the price
22 index published for the December of the
23 year prior to the preceding year, adjusted
24 to the nearest one-tenth of 1 percent.

1 “(C) PRESENT VALUE.—The Secretary of
2 Labor shall calculate the present value for pur-
3 poses of subparagraph (A) using a rate of inter-
4 est equal to the average market yield for out-
5 standing marketable obligations of the United
6 States with a maturity of 2 years on the first
7 business day of the month in which the com-
8 pensation is paid or, in the event that such
9 marketable obligations are not being issued on
10 such date, at an equivalent rate selected by the
11 Secretary of Labor, true discount compounded
12 annually.

13 “(2) CERTAIN INJURIES.—For an injury that
14 occurred before the date of enactment of the Work-
15 ers’ Compensation Reform Act of 2013, the rate
16 under subsection (a) shall be $66\frac{2}{3}$ percent of the
17 employee’s monthly pay.

18 “(e) SIMULTANEOUS RECEIPT.—

19 “(1) TOTAL DISABILITY.—An employee who re-
20 ceives compensation for total disability under section
21 8105 may only receive the lump sum of schedule
22 compensation under this section in addition to and
23 simultaneously with the benefits for total disability
24 after the earlier of—

1 “(A) the date on which the basic com-
2 pensation for total disability of the employee be-
3 comes 50 percent of the monthly pay of the em-
4 ployee under section 8105(b); or

5 “(B) the date on which augmented com-
6 pensation of the employee terminates under sec-
7 tion 8110(b)(2)(A)(ii), if the employee receives
8 such compensation.

9 “(2) PARTIAL DISABILITY.—An employee who
10 receives benefits for partial disability under section
11 8106 may only receive the lump sum of schedule
12 compensation under this section in addition to and
13 simultaneously with the benefits for partial disability
14 after the earlier of—

15 “(A) the date on which the basic com-
16 pensation for partial disability of the employee
17 becomes 50 percent of the difference between
18 the monthly pay of the employee and the
19 monthly wage-earning capacity of the employee
20 after the beginning of the partial disability
21 under section 8106(b); or

22 “(B) the date on which augmented com-
23 pensation of the employee terminates under sec-
24 tion 8110(b)(2)(B), if the employee receives
25 such compensation.”.

1 **SEC. 505. VOCATIONAL REHABILITATION.**

2 (a) IN GENERAL.—Section 8104 is amended—

3 (1) in subsection (a)—

4 (A) by striking “(a) The Secretary of
5 Labor may” and all that follows through “un-
6 dergo vocational rehabilitation.” and inserting
7 the following:

8 “(a) IN GENERAL.—

9 “(1) DIRECTION.—Except as provided in para-
10 graph (2), not earlier than the date that is 6 months
11 after the date on which an individual eligible for
12 wage-loss compensation under section 8105 or 8106
13 is injured, or by such other date as the Secretary of
14 Labor determines it would be reasonable under the
15 circumstances for the individual to begin vocational
16 rehabilitation, and if vocational rehabilitation may
17 enable the individual to become capable of more
18 gainful employment, the Secretary of Labor shall di-
19 rect the individual to participate in developing a
20 comprehensive return to work plan and to undergo
21 vocational rehabilitation at a location a reasonable
22 distance from the residence of the individual.”;

23 (B) by striking “the Secretary of Health,
24 Education, and Welfare in carrying out the pur-
25 poses of chapter 4 of title 29” and inserting
26 “the Secretary of Education in carrying out the

1 purposes of the Rehabilitation Act of 1973 (29
2 U.S.C. 701 et seq.)”;

3 (C) by striking “under section 32(b)(1) of
4 title 29” and inserting “under section 5 of the
5 Rehabilitation Act of 1973 (29 U.S.C. 704)”;
6 and

7 (D) by adding at the end the following:

8 “(2) EXCEPTION.—The Secretary of Labor may
9 not direct an individual who has attained retirement
10 age to participate in developing a comprehensive re-
11 turn to work plan or to undergo vocational rehabili-
12 tation.”;

13 (2) by redesignating subsection (b) as sub-
14 section (c);

15 (3) by inserting after subsection (a) the fol-
16 lowing:

17 “(b) CONTENTS OF RETURN TO WORK PLAN.—A re-
18 turn to work plan developed under subsection (a)—

19 “(1) shall—

20 “(A) set forth specific measures designed
21 to increase the wage-earning capacity of an in-
22 dividual;

23 “(B) take into account the prior training
24 and education of the individual and the train-

1 ing, educational, and employment opportunities
2 reasonably available to the individual; and

3 “(C) provide that any employment under-
4 taken by the individual under the return to
5 work plan be at a location a reasonable distance
6 from the residence of the individual;

7 “(2) may provide that the Secretary will pay
8 out of amounts in the Employees’ Compensation
9 Fund reasonable expenses of vocational rehabilita-
10 tion (which may include tuition, books, training fees,
11 supplies, equipment, and child or dependent care)
12 during the course of the plan; and

13 “(3) may not be for a period of more than 2
14 years, unless the Secretary finds good cause to grant
15 an extension, which may be for not more than 2
16 years.”;

17 (4) in subsection (c), as so redesignated—

18 (A) by inserting “COMPENSATION.—” be-
19 fore “Notwithstanding”; and

20 (B) by striking “, other than employment
21 undertaken pursuant to such rehabilitation”;
22 and

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

24 “(d) ASSISTED REEMPLOYMENT AGREEMENTS.—

1 “(1) IN GENERAL.—The Secretary may enter
2 into an assisted reemployment agreement with an
3 agency or instrumentality of any branch of the Fed-
4 eral Government or a State or local government or
5 a private employer that employs an individual eligi-
6 ble for wage-loss compensation under section 8105
7 or 8106 to enable the individual to return to produc-
8 tive employment.

9 “(2) CONTENTS.—An assisted reemployment
10 agreement under paragraph (1)—

11 “(A) may provide that the Secretary will
12 use amounts in the Employees’ Compensation
13 Fund to reimburse an employer in an amount
14 equal to not more than 100 percent of the com-
15 pensation the individual would otherwise receive
16 under section 8105 or 8106; and

17 “(B) may not be for a period of more than
18 3 years.

19 “(e) LIST.—To facilitate the hiring of individuals eli-
20 gible for wage-loss compensation under section 8105 or
21 8106, the Secretary shall provide a list of such individuals
22 to the Office of Personnel Management, which the Office
23 of Personnel Management shall provide to all agencies and
24 instrumentalities of the Federal Government.”.

1 (b) EMPLOYEES' COMPENSATION FUND.—Section
2 8147 is amended by adding at the end:

3 “(d) Notwithstanding subsection (b), any benefits or
4 other payments paid to or on behalf of an employee under
5 this subchapter or any extension or application thereof for
6 a recurrence of injury, consequential injury, aggravation
7 of injury, or increase in percentage of impairment to a
8 member for which compensation is provided under the
9 schedule under section 8107 suffered in a permanent posi-
10 tion with an agency or instrumentality of the United
11 States while the employment with the agency or instru-
12 mentality is covered under an assisted reemployment
13 agreement entered into under section 8104(d) shall not
14 be included in total cost of benefits and other payments
15 in the statement provided to the agency or instrumentality
16 under subsection (b) if the injury was originally incurred
17 in a position not covered by an assisted reemployment
18 agreement.”.

19 (c) TERMINATION OF VOCATIONAL REHABILITATION
20 REQUIREMENT AFTER RETIREMENT AGE.—Section
21 8113(b) is amended by adding at the end the following:
22 “An individual who has attained retirement age may not
23 be required to undergo vocational rehabilitation.”.

1 (d) MANDATORY BENEFIT REDUCTION FOR NON-
 2 COMPLIANCE.—Section 8113(b) is amended by striking
 3 “may reduce” and inserting “shall reduce”.

4 (e) TECHNICAL AND CONFORMING AMENDMENTS.—

5 (1) IN GENERAL.—Subchapter III of chapter
 6 15 of title 31, United States Code, is amended by
 7 adding at the end the following:

8 **“§ 1538. Authorization for assisted reemployment**

9 “Funds may be transferred from the Employees’
 10 Compensation Fund established under section 8147 of
 11 title 5 to the applicable appropriations account for an
 12 agency or instrumentality of any branch of the Federal
 13 Government for the purposes of reimbursing the agency
 14 or instrumentality in accordance with an assisted reem-
 15 ployment agreement entered into under section 8104 of
 16 title 5.”.

17 (2) TABLE OF SECTIONS.—The table of sections
 18 for chapter 15 of title 31, United States Code, is
 19 amended by inserting after the item relating to sec-
 20 tion 1537 the following:

“1538. Authorization for assisted reemployment.”.

21 **SEC. 506. REPORTING REQUIREMENTS.**

22 (a) IN GENERAL.—Chapter 81 is amended by insert-
 23 ing after section 8106 the following:

1 **“§ 8106a. Reporting requirements**

2 “(a) DEFINITION.—In this section, the term ‘em-
3 ployee receiving compensation’ means an employee who—

4 “(1) is paid compensation under section 8105
5 or 8106; and

6 “(2) has not attained retirement age.

7 “(b) AUTHORITY.—The Secretary of Labor shall re-
8 quire an employee receiving compensation to report the
9 earnings of the employee receiving compensation from em-
10 ployment or self-employment, by affidavit or otherwise, in
11 the manner and at the times the Secretary specifies.

12 “(c) CONTENTS.—An employee receiving compensa-
13 tion shall include in a report required under subsection
14 (a) the value of housing, board, lodging, and other advan-
15 tages which are part of the earnings of the employee re-
16 ceiving compensation in employment or self-employment
17 and the value of which can be estimated.

18 “(d) FAILURE TO REPORT AND FALSE REPORTS.—

19 “(1) IN GENERAL.—An employee receiving com-
20 pensation who fails to make an affidavit or other re-
21 port required under subsection (b) or who knowingly
22 omits or understates any part of the earnings of the
23 employee in such an affidavit or other report shall
24 forfeit the right to compensation with respect to any
25 period for which the report was required.

1 “(2) FORFEITED COMPENSATION.—Compensa-
 2 tion forfeited under this subsection, if already paid
 3 to the employee receiving compensation, shall be re-
 4 covered by a deduction from the compensation pay-
 5 able to the employee or otherwise recovered under
 6 section 8129, unless recovery is waived under that
 7 section.”.

8 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
 9 The table of sections for chapter 81 is amended by insert-
 10 ing after the item relating to section 8106 the following:
 “8106a. Reporting requirements.”.

11 **SEC. 507. DISABILITY MANAGEMENT REVIEW; INDE-**
 12 **PENDENT MEDICAL EXAMINATIONS.**

13 Section 8123 is amended by adding at the end the
 14 following:

15 “(e) DISABILITY MANAGEMENT REVIEW.—

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

17 “(A) the term ‘covered employee’ means an
 18 employee who is in continuous receipt of com-
 19 pensation for total disability under section 8105
 20 for a period of not less than 6 months; and

21 “(B) the term ‘disability management re-
 22 view process’ means the disability management
 23 review process established under paragraph
 24 (2)(A).

1 “(2) ESTABLISHMENT.—The Secretary of
2 Labor shall—

3 “(A) establish a disability management re-
4 view process for the purpose of certifying and
5 monitoring the disability status and extent of
6 injury of each covered employee; and

7 “(B) promulgate regulations for the ad-
8 ministration of the disability management re-
9 view process.

10 “(3) PHYSICAL EXAMINATIONS REQUIRED.—
11 Under the disability management review process, the
12 Secretary of Labor shall periodically require covered
13 employees to submit to physical examinations under
14 subsection (a) by physicians selected by the Sec-
15 retary. A physician conducting a physical examina-
16 tion of a covered employee shall submit to the Sec-
17 retary a report regarding the nature and extent of
18 the injury to and disability of the covered employee.

19 “(4) FREQUENCY.—

20 “(A) IN GENERAL.—The regulations pro-
21 mulgated under paragraph (2)(B) shall specify
22 the process and criteria for determining when
23 and how frequently a physical examination
24 should be conducted for a covered employee.

25 “(B) MINIMUM FREQUENCY.—

1 “(i) INITIAL.—An initial physical ex-
2 amination shall be conducted not more
3 than a brief period after the date on which
4 a covered employee has been in continuous
5 receipt of compensation for total disability
6 under section 8015 for 6 months.

7 “(ii) SUBSEQUENT EXAMINATIONS.—
8 After the initial physical examination,
9 physical examinations of a covered em-
10 ployee shall be conducted not less than
11 once every 3 years.

12 “(5) EMPLOYING AGENCY OR INSTRUMEN-
13 TALITY REQUESTS.—

14 “(A) IN GENERAL.—The agency or instru-
15 mentality employing an employee who has made
16 a claim for compensation for total disability
17 under section 8105 may at any time submit a
18 request for the Secretary of Labor to promptly
19 require the employee to submit to a physical ex-
20 amination under this subsection.

21 “(B) REQUESTING OFFICER.—A request
22 under subparagraph (A) shall be made on be-
23 half of an agency or instrumentality by—

24 “(i) the head of the agency or instru-
25 mentality;

1 “(ii) the Chief Human Capital Officer
2 of the agency or instrumentality; or

3 “(iii) if the agency or instrumentality
4 does not have a Chief Human Capital Offi-
5 cer, an officer with responsibilities similar
6 to those of a Chief Human Capital Officer
7 designated by the head of the agency or in-
8 strumentality to make requests under this
9 paragraph.

10 “(C) INFORMATION.—A request under sub-
11 paragraph (A) shall be in writing and accom-
12 panied by—

13 “(i) a certification by the officer mak-
14 ing the request that the officer has re-
15 viewed the relevant material in the employ-
16 ee’s file;

17 “(ii) an explanation of why the officer
18 has determined, based on the materials in
19 the file and other information known to
20 the officer, that requiring a physical exam-
21 ination of the employee under this sub-
22 section is necessary; and

23 “(iii) copies of the materials relating
24 to the employee that are relevant to the of-
25 ficer’s determination and request, unless

1 the agency or instrumentality has a rea-
2 sonable basis for not providing the mate-
3 rials.

4 “(D) EXAMINATION.—If the Secretary of
5 Labor receives a request under this paragraph
6 before an employee has undergone an initial
7 physical examination under paragraph
8 (4)(B)(i), the Secretary shall promptly require
9 the physical examination of the employee. A
10 physical examination under this subparagraph
11 shall satisfy the requirement under paragraph
12 (4)(B)(i) that an initial physical examination be
13 conducted.

14 “(E) AFTER INITIAL EXAMINATION.—

15 “(i) IN GENERAL.—If the Secretary of
16 Labor receives a request under this para-
17 graph after an employee has undergone an
18 initial physical examination under para-
19 graph (4)(B)(i), the Secretary shall—

20 “(I) review the request and the
21 information, explanation, and other
22 materials submitted with the request;
23 and

24 “(II) determine whether to re-
25 quire the physical examination of the

1 employee who is the subject of the re-
2 quest.

3 “(ii) NOT GRANTED.—If the Secretary
4 determines not to grant a request de-
5 scribed in clause (i), the Secretary shall
6 promptly notify the officer who made the
7 request and provide an explanation of the
8 reasons why the request was denied.”.

9 **SEC. 508. WAITING PERIOD.**

10 (a) IN GENERAL.—Section 8117 is amended—

11 (1) in the section heading, by striking “**Time**
12 **of accrual of right**” and inserting “**Waiting**
13 **period**”;

14 (2) in subsection (a)—

15 (A) in the matter preceding paragraph (1),
16 by striking “An employee” and all that follows
17 through “is not entitled” and inserting “IN
18 GENERAL.—An employee is not entitled to con-
19 tinuation of pay within the meaning of section
20 8118 for the first 3 days of temporary disability
21 or, if section 8118 does not apply, is not enti-
22 tled”;

23 (B) in paragraph (1), by adding “or” at
24 the end;

25 (C) by striking paragraph (2); and

1 (D) by redesignating paragraph (3) as
2 paragraph (2); and
3 (3) in subsection (b)—

4 (A) by striking “A Postal Service” the first
5 place it appears and all that follows through “A
6 Postal Service” the second place it appears and
7 inserting “USE OF LEAVE.—An”;

8 (B) by striking “that 3-day period” and in-
9 serting “the first 3 days of temporary dis-
10 ability”; and

11 (C) by striking “or is followed by perma-
12 nent disability”.

13 (b) CONTINUATION OF PAY.—Section 8118 is amend-
14 ed—

15 (1) in the section heading, by striking “; **elec-**
16 **tion to use annual or sick leave**”;

17 (2) in subsection (b)(1), by striking “section
18 8117(b)” and inserting “section 8117”;

19 (3) by striking subsection (c); and

20 (4) by redesignating subsection (d) as sub-
21 section (c).

22 (c) TECHNICAL AND CONFORMING AMENDMENTS.—
23 The table of sections for chapter 81 is amended by strik-
24 ing the items relating to sections 8117 and 8118 and in-
25 serting the following:

“8117. Waiting period.

“8118. Continuation of pay.”.

1 **SEC. 509. ELECTION OF BENEFITS.**

2 (a) IN GENERAL.—Section 8116 is amended by add-
3 ing at the end the following:

4 “(e) RETIREMENT BENEFITS.—

5 “(1) IN GENERAL.—An individual entitled to
6 compensation benefits payable under this subchapter
7 and under chapter 83 or 84 or any other retirement
8 system for employees of the Government, for the
9 same period, shall elect which benefits the individual
10 will receive.

11 “(2) ELECTION.—

12 “(A) DEADLINE.—An individual shall
13 make an election under paragraph (1) in ac-
14 cordance with such deadlines as the Secretary
15 of Labor shall establish, which shall be a rea-
16 sonable period after the individual has received
17 notice of a final determination that the indi-
18 vidual is entitled to compensation benefits pay-
19 able under this subchapter.

20 “(B) REVOCABILITY.—An election under
21 paragraph (1) shall be revocable, notwith-
22 standing any other provision of law, except for
23 any period during which an individual—

1 “(i) was qualified for benefits payable
2 under both this subchapter and under a re-
3 tirement system described in paragraph
4 (1); and

5 “(ii) was paid benefits under the re-
6 tirement system after having been notified
7 of eligibility for benefits under this sub-
8 chapter.

9 “(3) INFORMED CHOICE.—The Secretary of
10 Labor shall provide information, and shall ensure
11 that information is provided, to an individual de-
12 scribed in paragraph (1) about the benefits available
13 to the individual under this subchapter or under
14 chapter 83 or 84 or any other retirement system re-
15 ferred to in paragraph (1) the individual may elect
16 to receive.”.

17 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
18 Sections 8337(f)(3) and 8464a(a)(3) are each amended by
19 striking “Paragraphs” and inserting “Except as provided
20 under chapter 81, paragraphs”.

21 **SEC. 510. SANCTION FOR NONCOOPERATION WITH FIELD**
22 **NURSES.**

23 Section 8123, as amended by section 507, is amended
24 by adding at the end the following:

25 “(f) FIELD NURSES.—

1 “(1) DEFINITION.—In this subsection, the term
2 ‘field nurse’ means a registered nurse that assists
3 the Secretary in the medical management of dis-
4 ability claims under this subchapter and provides
5 claimants with assistance in coordinating medical
6 care.

7 “(2) AUTHORIZATION.—The Secretary may use
8 field nurses to coordinate medical services and voca-
9 tional rehabilitation programs for injured employees
10 under this subchapter. If an employee refuses to co-
11 operate with a field nurse or obstructs a field nurse
12 in the performance of duties under this subchapter,
13 the right to compensation under this subchapter
14 shall be suspended until the refusal or obstruction
15 stops.”.

16 **SEC. 511. SUBROGATION OF CONTINUATION OF PAY.**

17 (a) IN GENERAL.—Section 8131 is amended—

18 (1) in subsection (a), in the matter preceding
19 paragraph (1), by inserting “continuation of pay or”
20 before “compensation”;

21 (2) in subsection (b), by inserting “continuation
22 of pay or” before “compensation”; and

23 (3) in subsection (c)—

24 (A) by inserting “continuation of pay or”
25 before “compensation already paid”; and

1 (B) by inserting “continuation of pay or”
2 before “compensation payable”.

3 (b) ADJUSTMENT AFTER RECOVERY FROM A THIRD
4 PERSON.—Section 8132 is amended—

5 (1) in the first sentence—

6 (A) by inserting “continuation of pay or”
7 before “compensation is payable”;

8 (B) by inserting “continuation of pay or”
9 before “compensation from the United States”;

10 (C) by striking “by him or in his behalf”
11 and inserting “by the beneficiary or on behalf
12 of the beneficiary”;

13 (D) by inserting “continuation of pay and”
14 before “compensation paid by the United
15 States”; and

16 (E) by striking “compensation payable to
17 him” and inserting “continuation of pay or
18 compensation payable to the beneficiary”;

19 (2) in the second sentence, by striking “his des-
20 ignee” and inserting “the designee of the bene-
21 ficiary”; and

22 (3) in the fourth sentence, by striking “If com-
23 pensation” and all that follows through “payable to
24 him by the United States” and inserting “If con-
25 tinuation of pay or compensation has not been paid

1 to the beneficiary, the money or property shall be
2 credited against continuation of pay or compensation
3 payable to the beneficiary by the United States”.

4 (c) EFFECTIVE DATE.—This section and the amend-
5 ments made by this section shall take effect on the date
6 of enactment of this Act.

7 **SEC. 512. INTEGRITY AND COMPLIANCE.**

8 (a) IN GENERAL.—Subchapter I of chapter 81 is
9 amended by adding at the end the following:

10 **“§ 8153. Integrity and Compliance Program**

11 “(a) DEFINITIONS.—In this section—

12 “(1) the term ‘FECA program’ means the Fed-
13 eral Employees Compensation Program administered
14 under this subchapter;

15 “(2) the term ‘improper payment’ has the
16 meaning given that term in section 2(g) of the Im-
17 proper Payments Information Act of 2002 (31
18 U.S.C. 3321 note);

19 “(3) the term ‘Inspector General’—

20 “(A) means an Inspector General described
21 in subparagraph (A), (B), or (I) of section
22 11(b)(1) of the Inspector General Act of 1978
23 (5 U.S.C. App.); and

1 “(B) does not include the Inspector Gen-
2 eral of an entity having no employees covered
3 under the FECA program;

4 “(4) the term ‘Integrity and Compliance Pro-
5 gram’ means the Integrity and Compliance Program
6 established under subsection (b);

7 “(5) the term ‘provider’ means a provider of
8 medical or other services under the FECA program;

9 “(6) the term ‘Secretary’ means the Secretary
10 of Labor; and

11 “(7) the term ‘Task Force’ means the FECA
12 Integrity and Compliance Task Force established
13 under subsection (c)(2)(A).

14 “(b) INTEGRITY AND COMPLIANCE PROGRAM.—Not
15 later than 270 days after the date of enactment of this
16 section, the Secretary shall establish an Integrity and
17 Compliance Program for the purpose of preventing, identi-
18 fying, and recovering fraudulent and other improper pay-
19 ments for the FECA program, which shall include—

20 “(1) procedures for identifying potentially im-
21 proper payments before payment is made to claim-
22 ants and providers, including, where appropriate,
23 predictive analytics;

1 “(2) reviews after payment is made to identify
2 potentially improper payments to claimants and pro-
3 viders;

4 “(3) on-going screening and verification proce-
5 dures to ensure the continued eligibility of medical
6 providers to provide services under the FECA pro-
7 gram, including licensure, Federal disbarment, and
8 the existence of relevant criminal convictions;

9 “(4) provision of appropriate information, edu-
10 cation, and training to claimants and providers on
11 requirements to ensure the integrity of the FECA
12 program, including payments under the FECA pro-
13 gram;

14 “(5) appropriate controls and audits to ensure
15 that providers adopt internal controls and proce-
16 dures for compliance with requirements under the
17 FECA program;

18 “(6) procedures to ensure—

19 “(A) initial and continuing eligibility of
20 claimants for compensation, benefits, or services
21 under the FECA program; and

22 “(B) ongoing verification of information in
23 databases relating to claimants to ensure accu-
24 racy and completeness; and

1 “(7) sharing and accessing data and informa-
2 tion with other agencies and instrumentalities of the
3 United States, including the United States Postal
4 Service.

5 “(c) INTERAGENCY COOPERATION ON ANTI-FRAUD
6 EFFORTS.—

7 “(1) IN GENERAL.—In administering the
8 FECA program, including the Integrity and Compli-
9 ance Program, the Secretary shall cooperate with
10 other agencies and instrumentalities of the United
11 States (including the United States Postal Service)
12 and the Inspectors General of such agencies and in-
13 strumentalities to prevent, identify, and recover
14 fraudulent and other improper payments under the
15 FECA program.

16 “(2) TASK FORCE.—

17 “(A) IN GENERAL.—There is established a
18 task force, which shall be known as the FECA
19 Integrity and Compliance Task Force.

20 “(B) MEMBERSHIP.—The members of the
21 Task Force shall be—

22 “(i) the Secretary, who shall serve as
23 the Chairperson of the Task Force;

1 “(ii) the Postmaster General, who
2 shall serve as the Vice Chairperson of the
3 Task Force;

4 “(iii) the Attorney General;

5 “(iv) the Director of the Office of
6 Management and Budget; and

7 “(v) other appropriate Federal offi-
8 cials, as determined by the Chairperson
9 and Vice Chairperson of the Task Force.

10 “(C) ADVISORY MEMBERS.—The following
11 officials shall attend meetings of the Task
12 Force and participate as ad hoc, advisory mem-
13 bers, to provide technical assistance and guid-
14 ance to the Task Force with respect to the du-
15 ties of the Task Force:

16 “(i) The Inspector General of the De-
17 partment of Labor.

18 “(ii) The Inspector General of the
19 United States Postal Service.

20 “(iii) The Inspectors General of other
21 appropriate agencies and instrumentalities
22 of the United States that employ a signifi-
23 cant number of individuals receiving com-
24 pensation, benefits, or services under the

1 FECA program, as determined by the
2 Chairperson of the Task Force.

3 “(D) DUTIES.—The Task Force shall—

4 “(i) set forth, in writing, a description
5 of the respective roles and responsibilities
6 in preventing, identifying, recovering, and
7 prosecuting fraud under, and otherwise en-
8 suring integrity and compliance of, the
9 FECA program of—

10 “(I) the Secretary (including sub-
11 ordinate officials such as the Director
12 of the Office of Workers’ Compensa-
13 tion Programs);

14 “(II) the Inspector General of
15 the Department of Labor;

16 “(III) the Inspectors General of
17 agencies and instrumentalities of the
18 United States that employ claimants
19 under the FECA program;

20 “(IV) the Attorney General; and

21 “(V) any other relevant officials;

22 “(ii) develop procedures for sharing
23 information of possible fraud under the
24 FECA program or other intentional
25 misstatements by claimants or providers

1 under the FECA program, including proce-
2 dures addressing—

3 “(I) notification of appropriate
4 officials of the Department of Labor
5 of potential fraud or other intentional
6 misstatements, including provision of
7 supporting information;

8 “(II) timely and appropriate re-
9 sponse by officials of the Department
10 of Labor to notifications described in
11 subclause (I);

12 “(III) the inclusion of informa-
13 tion and evidence relating to fraud
14 and other intentional misstatements
15 in criminal, civil, and administrative
16 proceedings relating to the provision
17 of compensation, benefits, or medical
18 services (including payments to pro-
19 viders) under the FECA program;

20 “(IV) the coordination of crimi-
21 nal investigations with the administra-
22 tion of the FECA program; and

23 “(V) the protection of informa-
24 tion relating to an investigation of
25 possible fraud under the FECA pro-

1 gram from potential disclosure, in-
2 cluding requirements that enable in-
3 vestigative files to be appropriately
4 separated from case management
5 files; and

6 “(iii) not later than 1 year after the
7 date of enactment of this section, submit
8 to the Committee on Homeland Security
9 and Governmental Affairs of the Senate
10 and the Committee on Oversight and Gov-
11 ernment Reform and the Committee on
12 Education and the Workforce of the House
13 of Representatives a report that includes
14 the description and procedures required
15 under clauses (i) and (ii).

16 “(3) RULE OF CONSTRUCTION.—Nothing in
17 this subsection shall be construed to limit or restrict
18 any authority of an Inspector General.

19 “(d) IMPROVEMENTS TO ACCESS OF FEDERAL DATA-
20 BASES.—

21 “(1) IN GENERAL.—In order to improve compli-
22 ance with the requirements under and the integrity
23 of the FECA program, or as required to otherwise
24 detect and prevent improper payments under the
25 FECA program (including for purposes of computer

1 matching under subsection (e)(1)(D)), upon written
2 request—

3 “(A) the Commissioner of Social Security
4 shall make available to the Secretary, the Post-
5 master General, and each Inspector General the
6 Social Security earnings information of a living
7 or deceased employee;

8 “(B) the Director of the Office of Per-
9 sonnel Management shall make available to the
10 Secretary, the Postmaster General, and each
11 Inspector General the information in the data-
12 bases of Federal employees and retirees main-
13 tained by the Director; and

14 “(C) the Secretary of Veterans Affairs
15 shall make available to the Secretary, the Post-
16 master General, and each Inspector General the
17 information in the database of disabled individ-
18 uals maintained by the Secretary of Veterans
19 Affairs.

20 “(2) NATIONAL DIRECTORY OF NEW HIRES.—
21 Upon written request, the Secretary of Health and
22 Human Services shall make available to the Sec-
23 retary, the Postmaster General, each Inspector Gen-
24 eral, and the Comptroller General of the United
25 States the information in the National Directory of

1 New Hires for purposes of carrying out this sub-
2 chapter, in order to improve compliance with the re-
3 quirements under and the integrity of the FECA
4 program, or as required to otherwise detect and pre-
5 vent improper payments under the FECA program
6 (including for purposes of computer matching under
7 subsection (e)(1)(D)). The Comptroller General may
8 obtain information from the National Directory of
9 New Hires for purposes of any audit, evaluation, or
10 investigation, including any audit, evaluation, or in-
11 vestigation relating to program integrity.

12 “(3) PROCEDURES.—The Secretary shall estab-
13 lish procedures for correlating the identity and sta-
14 tus of recipients of compensation, benefits, or serv-
15 ices under this subchapter with Social Security earn-
16 ings information described in paragraph (1)(A).

17 “(4) PROVISION.—Information requested under
18 this subsection shall be provided—

19 “(A) in a timely manner;

20 “(B) at a reasonable cost to the Secretary,
21 the Postmaster General, or an Inspector Gen-
22 eral;

23 “(C) without cost to the Comptroller Gen-
24 eral of the United States; and

1 “(D) in the manner, frequency, and form
2 reasonably specified by the officer making the
3 request, which, upon request, shall include elec-
4 tronic form.

5 “(5) ASSESSMENT OF DATA COST-EFFECTIVE-
6 NESS.—

7 “(A) IN GENERAL.—The Secretary shall
8 consider and assess procedures for correlating
9 the identity and status of recipients of com-
10 pensation, benefits, or services under this sub-
11 chapter with information relating to employees,
12 retirees, and individuals described in subpara-
13 graphs (B) and (C) of paragraph (1) and para-
14 graph (2).

15 “(B) REPORT.—Not later than 1 year
16 after the date of enactment of this section, the
17 Secretary shall submit to the Committee on
18 Homeland Security and Governmental Affairs
19 of the Senate and the Committee on Oversight
20 and Government Reform and the Committee on
21 Education and the Workforce of the House of
22 Representatives a report on the cost-effective-
23 ness of the use of the databases described in
24 subparagraphs (B) and (C) of paragraph (1)
25 and paragraph (2) for program compliance and

1 integrity. The report required under this sub-
2 paragraph may be included as part of the re-
3 port required under subsection (f).

4 “(6) UNITED STATES POSTAL SERVICE FECA
5 ENROLLEE DATABASE.—Not later than 180 days
6 after the date of enactment of this section, in order
7 to track, verify, and communicate with the Secretary
8 and other relevant entities, the Postmaster General
9 shall establish an electronic database of information
10 relating to employees of the United States Postal
11 Service who have applied for or are receiving com-
12 pensation, benefits, or services under this sub-
13 chapter.

14 “(7) RULE OF CONSTRUCTION.—Nothing in
15 this subsection shall be construed to limit the au-
16 thority of the Comptroller General of the United
17 States under section 716 of title 31.

18 “(e) GENERAL PROTOCOLS AND SECURITY.—

19 “(1) ESTABLISHMENT.—

20 “(A) IN GENERAL.—In order to ensure
21 strong information security and privacy stand-
22 ards, the Task Force shall establish protocols
23 for the secure transfer and storage of any infor-
24 mation provided to an individual or entity
25 under this section.

1 “(B) CONSIDERATIONS.—In establishing
2 protocols under subparagraph (A), the Task
3 Force shall consider any recommendations sub-
4 mitted to the Secretary by the Inspector Gen-
5 eral of the Department of Health and Human
6 Services with respect to the secure transfer and
7 storage of information, and to comply with pri-
8 vacy laws and best practices.

9 “(C) FRAUD CASE PROTECTION.—The
10 Task Force shall establish protocols and proce-
11 dures to enable information and materials relat-
12 ing to an active investigation of possible fraud
13 relating to the FECA program to be appro-
14 priately kept separate from the files for employ-
15 ees relating to the provision of compensation,
16 benefits, or services under the FECA program.

17 “(D) COMPUTER MATCHING BY FEDERAL
18 AGENCIES FOR PURPOSES OF INVESTIGATION
19 AND PREVENTION OF IMPROPER PAYMENTS
20 AND FRAUD.—

21 “(i) IN GENERAL.—Except as pro-
22 vided in this subparagraph, in accordance
23 with section 552a (commonly known as the
24 Privacy Act of 1974), the Secretary, the
25 Postmaster General, each Inspector Gen-

1 eral, and the head of each agency may
2 enter into computer matching agreements
3 that allow ongoing data matching (which
4 shall include automated data matching) in
5 order to assist in the detection and preven-
6 tion of improper payments under the
7 FECA program.

8 “(ii) REVIEW.—Not later than 60
9 days after a proposal for an agreement
10 under clause (i) has been presented to a
11 Data Integrity Board established under
12 section 552a(u) for consideration, the Data
13 Integrity Board shall approve or deny the
14 agreement.

15 “(iii) TERMINATION DATE.—An
16 agreement under clause (i)—

17 “(I) shall have a termination
18 date of less than 3 years; and

19 “(II) during the 3-month period
20 ending on the date on which the
21 agreement is scheduled to terminate,
22 may be renewed by the agencies enter-
23 ing the agreement for not more than
24 3 years.

1 “(iv) MULTIPLE AGENCIES.—For pur-
2 poses of this subparagraph, section
3 552a(o)(1) shall be applied by substituting
4 ‘between the source agency and the recipi-
5 ent agency or non-Federal agency or an
6 agreement governing multiple agencies’ for
7 ‘between the source agency and the recipi-
8 ent agency or non-Federal agency’ in the
9 matter preceding subparagraph (A).

10 “(v) COST-BENEFIT ANALYSIS.—An
11 agreement under clause (i) may be entered
12 without regard to section 552a(o)(1)(B),
13 relating to a cost-benefit analysis of the
14 proposed matching program.

15 “(vi) GUIDANCE BY THE OFFICE OF
16 MANAGEMENT AND BUDGET.—Not later
17 than 6 months after the date of enactment
18 of the Workers’ Compensation Reform Act
19 of 2013, and in consultation with the
20 Council of Inspectors General on Integrity
21 and Efficiency, the Secretary of Health
22 and Human Services, the Commissioner of
23 Social Security, and the head of any other
24 relevant agency, the Director of the Office
25 of Management and Budget shall—

1 “(I) issue guidance for agencies
2 regarding implementing this subpara-
3 graph, which shall include standards
4 for reimbursement costs, when nec-
5 essary, between agencies; and

6 “(II) establish standards and de-
7 velop standard matching agreements
8 for the purpose of improving the proc-
9 ess for establishing data use or com-
10 puter matching agreements.

11 “(2) COMPLIANCE.—The Secretary, the Post-
12 master General, and each Inspector General shall
13 ensure that any information provided to an indi-
14 vidual or entity under this section is provided in ac-
15 cordance with protocols established under paragraph
16 (1).

17 “(3) RULE OF CONSTRUCTION.—Nothing in
18 this section shall be construed to affect the rights of
19 an individual under section 552a(p).

20 “(f) REPORT.—Not later than 1 year after the date
21 of enactment of this section, and annually thereafter for
22 5 years, the Secretary shall submit a report on the activi-
23 ties of the Secretary under this section, including imple-
24 mentation of the Integrity and Compliance Program, to—

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

3 “(2) the Committee on Oversight and Govern-
4 ment Reform and the Committee on Education and
5 the Workforce of the House of Representatives.

6 “(g) GAO REVIEW.—The Comptroller General of the
7 United States shall—

8 “(1) conduct periodic reviews of the Integrity
9 and Compliance Program; and

10 “(2) submit reports on the results of the re-
11 views under paragraph (1) to the Committee on
12 Homeland Security and Governmental Affairs of the
13 Senate and the Committee on Oversight and Govern-
14 ment Reform and the Committee on Education and
15 the Workforce of the House of Representatives not
16 later than—

17 “(A) 2 years after the date of enactment
18 of this section; and

19 “(B) 3 years after submission of the report
20 under subparagraph (A).”.

21 (b) TECHNICAL AND CONFORMING AMENDMENT.—
22 The table of sections for chapter 81 is amended by insert-
23 ing after the item relating to section 8152 the following:

“8153. Integrity and Compliance Program.”.

1 (c) EFFECTIVE DATE.—This section and the amend-
2 ments made by this section shall take effect on the date
3 of enactment of this Act.

4 **SEC. 513. AMOUNT OF COMPENSATION.**

5 (a) INJURIES TO FACE, HEAD, AND NECK.—Section
6 8107(c)(21) is amended—

7 (1) by striking “not to exceed \$3,500” and in-
8 serting “in proportion to the severity of the dis-
9 figurement, not to exceed \$50,000,”; and

10 (2) by adding at the end the following: “The
11 maximum amount of compensation under this para-
12 graph shall be increased on March 1 of each year by
13 the amount determined by the Secretary of Labor to
14 represent the percent change in the price index pub-
15 lished for December of the preceding year over the
16 price index published for the December of the year
17 prior to the preceding year, adjusted to the nearest
18 one-tenth of 1 percent.”.

19 (b) FUNERAL EXPENSES.—Section 8134(a) is
20 amended—

21 (1) by striking “\$800” and inserting “\$6,000”;
22 and

23 (2) by adding at the end the following: “The
24 maximum amount of compensation under this sub-
25 section shall be increased on March 1 of each year

1 by the amount determined by the Secretary of Labor
 2 to represent the percent change in the price index
 3 published for December of the preceding year over
 4 the price index published for the December of the
 5 year prior to the preceding year, adjusted to the
 6 nearest one-tenth of 1 percent.”.

7 (c) APPLICATION.—The amendments made by this
 8 section shall apply to injuries or deaths, respectively, oc-
 9 ccurring on or after the date of enactment of this Act.

10 **SEC. 514. TERRORISM INJURIES; ZONES OF ARMED CON-**
 11 **FLICT.**

12 (a) COVERING TERRORISM INJURIES.—Section
 13 8102(b) is amended in the matter preceding paragraph
 14 (1)—

15 (1) by inserting “or from an attack by a ter-
 16 rorist or terrorist organization, either known or un-
 17 known,” after “force or individual,”; and

18 (2) by striking “outside” and all that follows
 19 through “1979)” and inserting “outside of the
 20 United States”.

21 (b) CONTINUATION OF PAY IN A ZONE OF ARMED
 22 CONFLICT.—Section 8118, as amended by section 508(b)
 23 of this Act, is amended—

1 (1) in subsection (b), by striking “Continu-
2 ation” and inserting “Except as provided under sub-
3 section (d)(2), continuation”;

4 (2) in subsection (c), as redesignated by section
5 508(b)(4) of this Act, by striking “subsection (a)”
6 and inserting “subsection (a) or (d)”; and

7 (3) inserting before subsection (e) the following:
8 “(d) CONTINUATION OF PAY IN A ZONE OF ARMED
9 CONFLICT.—

10 “(1) IN GENERAL.—Notwithstanding subsection
11 (a), the United States shall authorize the continu-
12 ation of pay of an employee described in subpara-
13 graph (A), (C), (D), or (F) of section 8101(1),
14 who—

15 “(A) files a claim for a period of wage loss
16 due to an injury in performance of duty in a
17 zone of armed conflict (as determined by the
18 Secretary of Labor under paragraph (3)); and

19 “(B) files the claim for such wage loss ben-
20 efit with the immediate superior of the em-
21 ployee not later than 45 days after the later
22 of—

23 “(i) the termination of the assignment
24 of the employee to the zone of armed con-
25 flict; or

1 “(ii) the return of the employee to the
2 United States.

3 “(2) CONTINUATION OF PAY.—Notwithstanding
4 subsection (b), continuation of pay under this sub-
5 section shall be furnished for a period not to exceed
6 135 days without any break in time or waiting pe-
7 riod, unless controverted under regulations pre-
8 scribed by the Secretary of Labor.

9 “(3) DETERMINATION OF ZONES OF ARMED
10 CONFLICT.—For purposes of this subsection, the
11 Secretary of Labor, in consultation with the Sec-
12 retary of State and the Secretary of Defense, shall
13 determine whether a foreign country or other foreign
14 geographic area outside of the United States (as de-
15 fined in section 202(a)(7) of the State Department
16 Basic Authorities Act of 1956 (22 U.S.C.
17 4302(a)(7)) is a zone of armed conflict based on
18 whether—

19 “(A) the Armed Forces of the United
20 States are involved in hostilities in the country
21 or area;

22 “(B) the incidence of civil insurrection,
23 civil war, terrorism, or wartime conditions
24 threatens physical harm or imminent danger to

1 the health or well-being of United States civil-
2 ian employees in the country or area;

3 “(C) the country or area has been des-
4 igned a combat zone by the President under
5 section 112(e) of the Internal Revenue Code of
6 1986;

7 “(D) a contingency operation involving
8 combat operations directly affects civilian em-
9 ployees in the country or area; or

10 “(E) there exist other relevant conditions
11 and factors.”.

12 **SEC. 515. TECHNICAL AND CONFORMING AMENDMENTS.**

13 Chapter 81 is amended—

14 (1) in section 8101(1)(D), by inserting “for an
15 injury that occurred before the effective date of sec-
16 tion 204(e) of the District of Columbia Self-Govern-
17 ment and Governmental Reorganization Act (Public
18 Law 93–198; 87 Stat. 783; 5 U.S.C. 8101 note)”
19 before the semicolon;

20 (2) in section 8139, by inserting “under this
21 subchapter” after “Compensation awarded”; and

22 (3) in section 8148(a), by striking “section
23 8106” and inserting “section 8106a”.

1 **SEC. 516. REGULATIONS.**

2 (a) IN GENERAL.—As soon as possible after the date
3 of enactment of this Act, the Secretary of Labor shall pro-
4 mulgate regulations (which may include interim final reg-
5 ulations) to carry out this title.

6 (b) CONTENTS.—The regulations promulgated under
7 subsection (a) shall include, for purposes of the amend-
8 ments made by sections 502 and 503, clarification of—

9 (1) what is a claim; and

10 (2) what is the date on which a period of dis-
11 ability, for which a claim is made, commences.

12 **SEC. 517. EFFECTIVE DATE.**

13 Except as otherwise provided in this title, this title
14 and the amendments made by this title shall take effect
15 60 days after the date of enactment of this Act.

16 **TITLE VI—PROPERTY MANAGE-**
17 **MENT AND EXPEDITED DIS-**
18 **POSAL OF REAL PROPERTY**

19 **SEC. 601. SHORT TITLE.**

20 This title may be cited as the “Federal Real Property
21 Asset Management Reform Act of 2013”.

22 **SEC. 602. PURPOSE.**

23 The purpose of this title is to increase the efficiency
24 and effectiveness of the Federal Government in managing
25 real property by—

1 (1) requiring agencies to maintain an up-to-
2 date inventory of real property;

3 (2) establishing a Federal Real Property Coun-
4 cil to develop guidance on and ensure the implemen-
5 tation of strategies for better managing Federal real
6 property; and

7 (3) authorizing a pilot program to expedite the
8 disposal of surplus real property.

9 **SEC. 603. PROPERTY MANAGEMENT AND EXPEDITED DIS-**
10 **POSAL OF REAL PROPERTY.**

11 Chapter 5 of subtitle I of title 40, United States
12 Code, is amended by adding at the end the following:

13 “SUBCHAPTER VII—PROPERTY MANAGEMENT
14 AND EXPEDITED DISPOSAL OF REAL PROP-
15 ERTY

16 “§ 621. **Definitions**

17 “In this subchapter:

18 “(1) ADMINISTRATOR.—The term ‘Adminis-
19 trator’ means the Administrator of General Services.

20 “(2) COUNCIL.—The term ‘Council’ means the
21 Federal Real Property Council established by section
22 623(a).

23 “(3) DIRECTOR.—The term ‘Director’ means
24 the Director of the Office of Management and Budg-
25 et.

1 “(4) DISPOSAL.—The term ‘disposal’ means
2 any action that constitutes the removal of any real
3 property from the Federal inventory, including sale,
4 deed, demolition, or exchange.

5 “(5) EXCESS PROPERTY.—The term ‘excess
6 property’ means any real property under the control
7 of a Federal agency that the head of the Federal
8 agency determines is not required to meet the needs
9 or responsibilities of the Federal agency.

10 “(6) FEDERAL AGENCY.—The term ‘Federal
11 agency’ means—

12 “(A) an executive department or inde-
13 pendent establishment in the executive branch
14 of the Government; or

15 “(B) a wholly owned Government corpora-
16 tion.

17 “(7) FIELD OFFICE.—The term ‘field office’
18 means any office of a Federal agency that is not the
19 headquarters office location for the Federal agency.

20 “(8) POSTAL PROPERTY.—The term ‘postal
21 property’ means any building owned by the United
22 States Postal Service.

23 “(9) SURPLUS PROPERTY.—

24 “(A) IN GENERAL.—The term ‘surplus
25 property’ means excess real property that is not

1 required to meet the needs or responsibilities of
2 any Federal agency.

3 “(B) EXCLUSIONS.—The term ‘surplus
4 property’ does not include—

5 “(i) any military installation (as de-
6 fined in section 2910 of the Defense Base
7 Closure and Realignment Act of 1990 (10
8 U.S.C. 2687 note; Public Law 101–510));

9 “(ii) any property that is excepted
10 from the definition of the term ‘property’
11 under section 102;

12 “(iii) Indian and native Eskimo prop-
13 erty held in trust by the Federal Govern-
14 ment as described in section
15 3301(a)(5)(C)(iii);

16 “(iv) real property operated and main-
17 tained by the Tennessee Valley Authority
18 pursuant to the Tennessee Valley Author-
19 ity Act of 1933 (16 U.S.C. 831 et seq.);

20 “(v) any real property the Director
21 excludes for reasons of national security;

22 “(vi) any public lands (as defined in
23 section 203 of the Public Lands Corps Act
24 of 1993 (16 U.S.C. 1722)) administered
25 by—

1 “(I) the Secretary of the Interior,
2 acting through—

3 “(aa) the Director of the
4 Bureau of Land Management;

5 “(bb) the Director of the
6 National Park Service;

7 “(cc) the Commissioner of
8 Reclamation; or

9 “(dd) the Director of the
10 United States Fish and Wildlife
11 Service; or

12 “(II) the Secretary of Agri-
13 culture, acting through the Chief of
14 the Forest Service; or

15 “(vii) any property operated and
16 maintained by the United States Postal
17 Service.

18 “(10) UNDERUTILIZED PROPERTY.—The term
19 ‘underutilized property’ means a portion or the en-
20 tirety of any real property, including any improve-
21 ments, that is used—

22 “(A) irregularly or intermittently by the
23 accountable Federal agency for program pur-
24 poses of the Federal agency; or

1 “(B) for program purposes that can be
2 satisfied only with a portion of the property.

3 **“§ 622. Duties of Federal agencies**

4 “Each Federal agency shall—

5 “(1) maintain adequate inventory controls and
6 accountability systems for real property under the
7 control of the Federal agency;

8 “(2) develop current and future workforce pro-
9 jections so as to have the capacity to assess the
10 needs of the Federal workforce regarding the use of
11 real property;

12 “(3) continuously survey real property under
13 the control of the Federal agency to identify excess
14 property, underutilized property, and other real
15 property suitable to be used for—

16 “(A) colocation with other Federal agen-
17 cies; or

18 “(B) consolidation with other facilities;

19 “(4) promptly report excess property and un-
20 derutilized property to the Administrator;

21 “(5) establish goals that will lead the Federal
22 agency to reduce excess property and underutilized
23 property in the inventory of the Federal agency;

1 “(6) submit to the Council a report on all ex-
2 cess property and underutilized property in the in-
3 ventory of the Federal agency, including—

4 “(A) whether underutilized property can be
5 better utilized; and

6 “(B) the extent to which the Federal agen-
7 cy believes that the underutilized property
8 serves the needs of the Federal agency to retain
9 underutilized property;

10 “(7) adopt workplace practices, configurations,
11 and management techniques that can achieve in-
12 creased levels of productivity and decrease the need
13 for real property assets;

14 “(8) assess leased space to identify space that
15 is not fully used or occupied;

16 “(9) on an annual basis and subject to the
17 guidance of the Council—

18 “(A) conduct an inventory of real property
19 under control of the Federal agency; and

20 “(B) make an assessment of each real
21 property, which shall include—

22 “(i) the age and condition of the prop-
23 erty;

24 “(ii) the size of the property in square
25 footage and acreage;

- 1 “(iii) the geographical location of the
2 property, including an address and descrip-
3 tion;
4 “(iv) the extent to which the property
5 is being utilized;
6 “(v) the actual annual operating costs
7 associated with the property;
8 “(vi) the total cost of capital expendi-
9 tures associated with the property;
10 “(vii) sustainability metrics associated
11 with the property;
12 “(viii) the number of Federal employ-
13 ees and functions housed at the property;
14 “(ix) the extent to which the mission
15 of the Federal agency is dependent on the
16 property;
17 “(x) the estimated amount of capital
18 expenditures projected to maintain and op-
19 erate the property over each of the next 5
20 years after the date of enactment of this
21 subchapter; and
22 “(xi) any additional information re-
23 quired by the Administrator to carry out
24 section 624; and

1 “(10) provide to the Council and the Adminis-
2 trator the information described in paragraph (9)(B)
3 to be used for the establishment and maintenance of
4 the database described in section 624.

5 **“§ 623. Colocation among United States Postal Serv-**
6 **ice properties**

7 “(a) IDENTIFICATION OF POSTAL PROPERTY.—Each
8 year, the Postmaster General may—

9 “(1) identify a list of postal properties with
10 space available for use by Federal agencies; and

11 “(2) submit the list to the Council.

12 “(b) SUBMISSION OF LIST OF POSTAL PROPERTIES
13 TO FEDERAL AGENCIES.—

14 “(1) IN GENERAL.—Not later than 30 days
15 after the completion of a list under subsection (a),
16 the Council shall provide the list to each Federal
17 agency.

18 “(2) REVIEW BY FEDERAL AGENCIES.—Not
19 later than 90 days after the receipt of the list sub-
20 mitted under paragraph (1), each Federal agency
21 shall—

22 “(A) review the list;

23 “(B) identify real property assets under
24 the control of the Federal agency; and

25 “(C) recommend colocations if appropriate.

1 “(c) TERMS OF COLOCATION.—On approval of the
2 recommendations under subsection (b) by the Postmaster
3 General and the applicable agency head, the Federal agen-
4 cy or appropriate landholding entity may work with the
5 Postmaster General to establish appropriate terms of a
6 lease for each postal property.

7 **“§ 624. Establishment of a Federal Real Property**
8 **Council**

9 “(a) ESTABLISHMENT.—There is established a Fed-
10 eral Real Property Council.

11 “(b) PURPOSE.—The purpose of the Council shall
12 be—

13 “(1) to develop guidance and ensure implemen-
14 tation of an efficient and effective real property
15 management strategy;

16 “(2) to identify opportunities for the Federal
17 Government to better manage real property assets;
18 and

19 “(3) to reduce the costs of managing real prop-
20 erty, including operations, maintenance, and secu-
21 rity.

22 “(c) COMPOSITION.—

23 “(1) IN GENERAL.—The Council shall be com-
24 posed exclusively of—

1 “(A) the senior real property officers of
2 each Federal agency;

3 “(B) the Deputy Director for Management
4 of the Office of Management and Budget;

5 “(C) the Controller of the Office of Man-
6 agement and Budget;

7 “(D) the Administrator; and

8 “(E) any other full-time or permanent
9 part-time Federal officials or employees, as the
10 Chairperson determines to be necessary.

11 “(2) CHAIRPERSON.—The Deputy Director for
12 Management of the Office of Management and
13 Budget shall serve as Chairperson of the Council.

14 “(3) EXECUTIVE DIRECTOR.—

15 “(A) IN GENERAL.—The Chairperson shall
16 designate an Executive Director to assist in
17 carrying out the duties of the Council.

18 “(B) QUALIFICATIONS; FULL-TIME.—The
19 Executive Director shall—

20 “(i) be appointed from among individ-
21 uals who have substantial experience in the
22 areas of commercial real estate and devel-
23 opment, real property management, and
24 Federal operations and management; and

25 “(ii) serve full time.

1 “(d) MEETINGS.—

2 “(1) IN GENERAL.—The Council shall meet
3 subject to the call of the Chairperson.

4 “(2) MINIMUM.—The Council shall meet not
5 fewer than 4 times each year.

6 “(e) DUTIES.—The Council, in consultation with the
7 Director and the Administrator, shall—

8 “(1) not later than 1 year after the date of en-
9 actment of this subchapter, establish a real property
10 management plan template, to be updated annually,
11 which shall include performance measures, specific
12 milestones, measurable savings, strategies, and gov-
13 ernment-wide goals based on the goals established
14 under section 622(5) to reduce surplus property or
15 to achieve better utilization of underutilized prop-
16 erty, and evaluation criteria to determine the effec-
17 tiveness of real property management that are de-
18 signed—

19 “(A) to enable Congress and heads of Fed-
20 eral agencies to track progress in the achieve-
21 ment of real property management objectives on
22 a government-wide basis;

23 “(B) to improve the management of real
24 property; and

1 “(C) to allow for comparison of the per-
2 formance of Federal agencies against industry
3 and other public sector agencies in terms of
4 performance;

5 “(2) develop standard use rates consistent
6 throughout each category of space and with non-
7 governmental space use rates;

8 “(3) develop a strategy to reduce the reliance of
9 Federal agencies on leased space for long-term needs
10 if ownership would be less costly;

11 “(4) provide guidance on eliminating inefficien-
12 cies in the Federal leasing process;

13 “(5) compile a list of real property assets that
14 are field offices that are suitable for colocation with
15 other real property assets; and

16 “(6) not later than 1 year after the date of en-
17 actment of this subchapter and annually during the
18 4-year period beginning on the date that is 1 year
19 after the date of enactment of this subchapter and
20 ending on the date that is 5 years after the date of
21 enactment of this subchapter, the Council shall sub-
22 mit to the Director a report that contains—

23 “(A) a list of the remaining excess prop-
24 erty, surplus property, and underutilized prop-
25 erties of each Federal agency;

1 “(B) the progress of the Council toward
2 developing guidance for Federal agencies to en-
3 sure that the assessment required under section
4 622(9)(B) is carried out in a uniform manner;
5 and

6 “(C) the progress of Federal agencies to-
7 ward achieving the goals established under sec-
8 tion 622(5).

9 “(f) CONSULTATION.—In carrying out the duties de-
10 scribed in subsection (e), the Council shall also consult
11 with representatives of—

12 “(1) State, local, tribal authorities, and affected
13 communities; and

14 “(2) appropriate private sector entities and
15 nongovernmental organizations that have expertise
16 in areas of—

17 “(A) commercial real estate and develop-
18 ment;

19 “(B) government management and oper-
20 ations;

21 “(C) space planning;

22 “(D) community development, including
23 transportation and planning; and

24 “(E) historic preservation.

1 “(g) COUNCIL RESOURCES.—The Director and the
2 Administrator shall provide staffing, and administrative
3 support for the Council, as appropriate.

4 **“§ 625. Federal real property inventory and database**

5 “(a) IN GENERAL.—Not later than 1 year after the
6 date of enactment of this subchapter, the Administrator
7 shall establish and maintain a single, comprehensive, and
8 descriptive database of all real property under the custody
9 and control of all Federal agencies.

10 “(b) CONTENTS.—The database shall include—

11 “(1) information provided to the Administrator
12 under section 622(9)(B); and

13 “(2) a list of real property disposals completed,
14 including—

15 “(A) the date and disposal method used
16 for each real property;

17 “(B) the proceeds obtained from the dis-
18 posal of each real property;

19 “(C) the amount of time required to dis-
20 pose of the real property, including the date on
21 which the real property is designated as excess
22 property;

23 “(D) the date on which the property is
24 designated as surplus property and the date on
25 which the property is disposed; and

1 “(E) all costs associated with the disposal.

2 “(c) ACCESSIBILITY.—

3 “(1) COMMITTEES.—The database established
4 under subsection (a) shall be made available on re-
5 quest to the Committee on Homeland Security and
6 Governmental Affairs and the Committee on Envi-
7 ronment and Public Works of the Senate and the
8 Committee on Oversight and Government Reform
9 and the Committee on Transportation and Infra-
10 structure of the House of Representatives.

11 “(2) GENERAL PUBLIC.—Not later than 3 years
12 after the date of enactment of this subchapter and
13 to the extent consistent with national security, the
14 Administrator shall make the database established
15 under subsection (a) accessible to the public at no
16 cost through the website of the General Services Ad-
17 ministration.

18 **“§ 626. Limitation on certain leasing authorities**

19 “(a) IN GENERAL.—Except as provided in subsection
20 (b), not later than December 31 of each year following
21 the date of enactment of this subchapter, a Federal agency
22 with independent leasing authority shall submit to the
23 Council a list of all leases, including operating leases, in
24 effect on the date of enactment of this subchapter that
25 includes—

1 “(1) the date on which each lease was executed;

2 “(2) the date on which lease will expire;

3 “(3) a description of the size of the space;

4 “(4) the location of the property;

5 “(5) the tenant agency;

6 “(6) the total annual rental rate; and

7 “(7) the amount of the net present value of the
8 total estimated legal obligations of the Federal Gov-
9 ernment over the life of the contract.

10 “(b) EXCEPTION.—Subsection (a) shall not apply
11 to—

12 “(1) the United States Postal Service;

13 “(2) the Department of Veterans Affairs; or

14 “(3) any other property the President excludes
15 from subsection (a) for reasons of national security.

16 **“§ 627. Expedited disposal pilot program**

17 “(a) ESTABLISHMENT.—The Director shall establish
18 a pilot program to dispose of, by sale, transfer, or other
19 means of disposal, any surplus property.

20 “(1) PROPERTIES FOR EXPEDITED DISPOSAL.—

21 “(A) IN GENERAL.—On an annual basis,
22 the Director may authorize the expedited dis-
23 posal of not more than 200 surplus properties.

24 “(B) PRIORITY.—In determining which
25 properties to dispose of, the Director shall give

1 priority to surplus properties that have the
2 highest fair market value and the greatest po-
3 tential for disposal.

4 “(C) COSTS ASSOCIATED WITH DIS-
5 POSAL.—

6 “(i) IN GENERAL.—The Administrator
7 may obligate an amount to pay any direct
8 and indirect costs under section 572 re-
9 lated to identifying and preparing prop-
10 erties to be reported as excess property by
11 a Federal agency.

12 “(ii) REIMBURSEMENT.—An amount
13 obligated under clause (i) shall be paid
14 from the proceeds of any sale of real prop-
15 erty under this subsection.

16 “(iii) NET PROCEEDS.—Net proceeds
17 shall be distributed under subsection (b).

18 “(D) MAXIMUM NET PROCEEDS.—Any real
19 property authorized to be disposed of by sale of
20 under subparagraph (A) shall disposed of in a
21 manner that, as determined by the Adminis-
22 trator in consultation with the head of the ap-
23 plicable Federal agency, is structured and mar-
24 keted to maximize the value to the Federal Gov-
25 ernment.

1 “(E) MONETARY PROCEEDS REQUIRE-
2 MENT.—Surplus property may be disposed of
3 under this section only if disposal of the prop-
4 erty will generate monetary proceeds to the
5 Federal Government that—

6 “(i) exceed the costs of disposal of the
7 property; and

8 “(ii) are not less than 90 percent of
9 fair market value.

10 “(2) APPLICABILITY OF CERTAIN LAW.—Any
11 expedited disposal of real property conducted under
12 this section shall not be subject to—

13 “(A) any section of An Act Authorizing the
14 Transfer of Certain Real Property for Wildlife,
15 or Other Purposes (16 U.S.C. 667b);

16 “(B) sections 107 and 317 of title 23;

17 “(C) sections 545(b)(8), 550, 553, 554,
18 and 1304(b);

19 “(D) section 501 of the McKinney-Vento
20 Homeless Assistance Act (42 U.S.C. 11411);

21 “(E) section 47151 of title 49; or

22 “(F) section 13(d) of the Surplus Property
23 Act of 1944 (50 U.S.C. App. 1622(d)).

24 “(3) EFFECT.—Except as provided in para-
25 graph (2), nothing in this subchapter terminates or

1 in any way limits the authority of any Federal agen-
2 cy under any other provision of law to dispose of
3 real property.

4 “(b) USE OF PROCEEDS.—

5 “(1) IN GENERAL.—Of the proceeds received
6 from the disposal of any real property under this
7 subchapter—

8 “(A) not less than 80 percent shall be re-
9 turned to the general fund of the Treasury for
10 debt reduction;

11 “(B) the lesser of 18 percent or the share
12 of proceeds otherwise authorized to be retained
13 under law shall be retained by the Federal
14 agency that has custody and is accountable for
15 the real property, subject to paragraph (2);

16 “(C) not greater than 2 percent shall be
17 made available to carry out section 627, subject
18 to annual appropriations; and

19 “(D) any remaining share of the proceeds
20 shall be returned to the general fund of the
21 Treasury for Federal budget deficit reduction.

22 “(2) LIMITATION ON USE OF PROCEEDS.—Any
23 proceeds retained by Federal agencies under this
24 section shall be—

1 “(A) deposited into the appropriate real
2 property account of the Federal agency that
3 had custody and accountability for the real
4 property, with the funds expended only as au-
5 thorized in annual appropriations Acts;

6 “(B) used—

7 “(i) by not later than 2 years after
8 the date of disposal of the real property;
9 and

10 “(ii) only for activities relating to
11 Federal real property asset management
12 and disposal; and

13 “(C) if not used by the date described in
14 subparagraph (B)(i), shall be deposited in the
15 Treasury and used for Federal budget deficit
16 reduction.

17 “(c) PUBLIC BENEFIT.—

18 “(1) CONVEYANCE.—Except as provided in
19 paragraph (2), if a real property authorized to be
20 disposed of under subsection (a) has not been dis-
21 posed of by the date that is 2 years after the date
22 the property is listed for sale, the Director, in con-
23 sultation with the Administrator and the Secretary
24 of Housing and Urban Development, may consider a
25 request from the disposing Federal agency that the

1 real property be conveyed to State and local govern-
2 ments or nonprofit organizations for various public
3 purposes or uses as permitted by applicable law.

4 “(2) PREDOMINANT USE AND SIZE STAND-
5 ARDS.—

6 “(A) IN GENERAL.—Any real property au-
7 thorized to be disposed of under subsection (a)
8 shall not be conveyed under paragraph (1) if—

9 “(i) the predominant use of the prop-
10 erty is not for housing; and

11 “(ii)(I) the area of the property is not
12 less than 25,000 square feet; or

13 “(II) the appraised fair market value
14 of the property is greater than \$1,000,000.

15 “(B) APPRAISED FAIR MARKET VALUE.—

16 The appraised fair market value described in
17 subparagraph (A)(ii)(II) shall be determined by
18 the Federal agency with custody or control of
19 the property, in consultation with the Adminis-
20 trator and standard appraisal practice.

21 “(d) ENFORCEMENT.—

22 “(1) INCREASE IN SIZE OF INVENTORY.—Ex-
23 cept as provided in paragraph (2), if a Federal agen-
24 cy fails to make available for public sale the real
25 property authorized to be disposed of under sub-

1 section (a) by the date that is 18 months after the
2 date on which the authorization is made under sub-
3 section (a), that Federal agency, except for specific
4 exceptions promulgated by the Director, shall not in-
5 crease the size of the civilian real property inventory,
6 unless the square footage of the increase is offset,
7 within an appropriate time as determined by the Di-
8 rector, through consolidation, colocation, or disposal
9 of another building space from the inventory of that
10 Federal agency.

11 “(2) EXCEPTION.—Paragraph (1) shall not
12 apply to a Federal agency that acquires any real
13 property not under the administrative jurisdiction of
14 the Federal Government, by sale or lease, until the
15 Director submits a certification to Congress of the
16 disposal of all of those surplus properties.

17 “(e) TERMINATION OF AUTHORITY.—The authority
18 provided by this section terminates on the date that is 5
19 years after the date of enactment of this subchapter.

20 **“§ 628. Homeless assistance grants**

21 “(a) DEFINITIONS.—In this section:

22 “(1) ELIGIBLE NONPROFIT ORGANIZATION.—
23 The term ‘eligible nonprofit organization’ means a
24 nonprofit organization that is a representative of the
25 homeless.

1 “(2) HOMELESS.—The term ‘homeless’ has the
2 meaning given the term in section 103 of the
3 McKinney-Vento Homeless Assistance Act (42
4 U.S.C. 11302), except that subsection (c) of that
5 section shall not apply.

6 “(3) PERMANENT HOUSING.—The term ‘perma-
7 nent housing’ has the meaning given the term in
8 section 401 of the McKinney-Vento Homeless Assist-
9 ance Act (42 U.S.C. 11360).

10 “(4) PRIVATE NONPROFIT ORGANIZATION.—
11 The term ‘private nonprofit organization’ has the
12 meaning given the term in section 401 of the
13 McKinney-Vento Homeless Assistance Act (42
14 U.S.C. 11360).

15 “(5) REPRESENTATIVE OF THE HOMELESS.—
16 The term ‘representative of the homeless’ has the
17 meaning given the term in section 501(i) of the
18 McKinney-Vento Homeless Assistance Act (42
19 U.S.C. 11411(i)).

20 “(6) SECRETARY.—The term ‘Secretary’ means
21 the Secretary of Housing and Urban Development.

22 “(7) TRANSITIONAL HOUSING.—The term
23 ‘transitional housing’ has the meaning given the
24 term in section 401 of the McKinney-Vento Home-
25 less Assistance Act (42 U.S.C. 11360).

1 “(b) GRANT AUTHORITY.—

2 “(1) IN GENERAL.—To the extent amounts are
3 made available under section 626(b)(1)(B) for use
4 under this section, the Secretary shall make grants
5 to eligible private nonprofit organizations through
6 the continuum of care program established under
7 subtitle C of title IV of the McKinney-Vento Home-
8 less Assistance Act (42 U.S.C. 11381 et seq.), to
9 purchase real property suitable for use to assist the
10 homeless in accordance with subsection (c).

11 “(2) TERMS AND CONDITIONS.—Except as oth-
12 erwise provided in this section, a grant under this
13 section shall be subject to the same terms and condi-
14 tions as a grant under the continuum of care pro-
15 gram established under subtitle C of title IV of the
16 McKinney-Vento Homeless Assistance Act (42
17 U.S.C. 11381 et seq.).

18 “(c) USE OF PROPERTIES FOR HOUSING OR SHEL-
19 TER FOR THE HOMELESS.—

20 “(1) ELIGIBLE USES.—An eligible private non-
21 profit organization that receives a grant under sub-
22 section (b) shall use the amounts received only to
23 purchase or rehabilitate real property for use to pro-
24 vide permanent housing, transitional housing, or
25 temporary shelter to the homeless.

1 “(2) TERM OF USE.—The Secretary may not
2 make a grant under subsection (b) to an eligible pri-
3 vate nonprofit organization unless the eligible pri-
4 vate nonprofit organization provides to the Secretary
5 such assurances as the Secretary determines nec-
6 essary to ensure that any real property purchased or
7 rehabilitated using amounts received under the grant
8 is used only for the uses described in paragraph (1)
9 for a period of not less than 15 years.

10 “(d) PREFERENCE.—In awarding grants under sub-
11 section (b), the Secretary shall give preference to eligible
12 private nonprofit organizations that operate within areas
13 in which Federal real property is being sold under the dis-
14 posal program authorized under section 626.

15 “(e) REGULATIONS.—The Secretary may promulgate
16 such regulations as are necessary to carry out this sec-
17 tion.”.

18 **SEC. 604. REPORT OF THE COMPTROLLER GENERAL.**

19 (a) DRAFT.—Not later than 3 years after the date
20 of enactment of this Act, the Comptroller General of the
21 United States shall submit to Congress a draft report on
22 the expedited disposal pilot program established by the
23 amendments made by section 3.

24 (b) FINAL.—Not later than 5 years after the date
25 of enactment of this Act, the Comptroller General of the

1 United States shall submit to Congress a final report on
2 the expedited disposal pilot program established by the
3 amendments made by section 3.

4 **SEC. 605. TECHNICAL AND CONFORMING AMENDMENT.**

5 The table of sections for chapter 5 of subtitle I of
6 title 40, United States Code, is amended by inserting after
7 the item relating to section 611 the following:

“SUBCHAPTER VII—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF
REAL PROPERTY

“621. Definitions.

“622. Duties of Federal agencies.

“623. Colocation among United States Postal Service properties.

“624. Establishment of a Federal Real Property Council.

“625. Federal real property inventory and database.

“626. Limitation on certain leasing authorities.

“627. Expedited disposal pilot program.

“628. Homeless assistance grants.”.

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