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117TH CONGRESS 2D SESSION

# H. R. 3076

### IN THE SENATE OF THE UNITED STATES

February 8 (legislative day, February 3), 2022 Received; read the first time

February 9, 2022 Read the second time and placed on the calendar  $\alpha$ 

# AN ACT

To provide stability to and enhance the services of the United States Postal Service, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
- 4 (a) Short Title.—This Act may be cited as the
- 5 "Postal Service Reform Act of 2022".
- 6 (b) Table of Contents.—The table of contents of
- 7 this Act is as follows:
  - Sec. 1. Short title; table of contents.
  - Sec. 2. Definitions.

TITLE I—POSTAL SERVICE FINANCIAL REFORMS

Sec. 101. Postal Service Health Benefits Program.

- Sec. 102. USPS Fairness Act.
- Sec. 103. Nonpostal services.

#### TITLE II—POSTAL SERVICE OPERATIONAL REFORMS

- Sec. 201. Performance targets and transparency.
- Sec. 202. Integrated delivery network.
- Sec. 203. Review of Postal Service cost attribution guidelines.
- Sec. 204. Rural newspaper sustainability.
- Sec. 205. Funding of Postal Regulatory Commission.
- Sec. 206. Flats operations study and reform.
- Sec. 207. Reporting requirements.
- Sec. 208. Postal Service transportation selection policy revisions.
- Sec. 209. USPS Inspector General oversight of Postal Regulatory Commission.

#### TITLE III—SEVERABILITY

Sec. 301. Severability.

#### 1 SEC. 2. DEFINITIONS.

- 2 (a) Commission.—In this Act, the term "Commis-
- 3 sion" means the Postal Regulatory Commission.
- 4 (b) Terms Defined in Title 39, United States
- 5 Code.—In this Act, the terms "competitive product",
- 6 "market-dominant product", and "Postal Service" have
- 7 the meanings given those terms in section 102 of title 39,
- 8 United States Code.

## 9 TITLE I—POSTAL SERVICE

# 10 FINANCIAL REFORMS

- 11 SEC. 101. POSTAL SERVICE HEALTH BENEFITS PROGRAM.
- 12 (a) Establishment.—
- 13 (1) IN GENERAL.—Chapter 89 of title 5, United
- 14 States Code, is amended by inserting after section
- 15 8903b the following:
- 16 "§ 8903c. Postal Service Health Benefits Program
- 17 "(a) Definitions.—In this section—

1	"(1) the term 'covered Medicare individual'
2	means an individual who is entitled to benefits under
3	Medicare part A, but excluding an individual who is
4	eligible to enroll under such part under section 1818
5	or 1818A of the Social Security Act (42 U.S.C.
6	1395i-2, 1395i-2a);
7	"(2) the term 'initial contract year' means the
8	contract year beginning in January of 2025;
9	"(3) the term 'initial participating carrier'
10	means a carrier that enters into a contract with the
11	Office to participate in the Program during the ini-
12	tial contract year;
13	"(4) the term 'Medicare part A' means part A
14	of title XVIII of the Social Security Act (42 U.S.C.
15	1395c et seq.);
16	"(5) the term 'Medicare part B' means part B
17	of title XVIII of the Social Security Act (42 U.S.C.
18	1395j et seq.);
19	"(6) the term 'Office' means the Office of Per-
20	sonnel Management;
21	"(7) the term 'Postal Service' means the United
22	States Postal Service;
23	"(8) the term 'Postal Service annuitant' means
24	an annuitant enrolled in a health benefits plan under

1	this chapter whose Government contribution is re-
2	quired to be paid under section 8906(g)(2);
3	"(9) the term 'Postal Service employee' means
4	an employee of the Postal Service enrolled in a
5	health benefits plan under this chapter whose Gov-
6	ernment contribution is paid by the Postal Service;
7	"(10) the term 'Postal Service Medicare covered
8	annuitant' means an individual who—
9	"(A) is a Postal Service annuitant; and
10	"(B) is a covered Medicare individual;
11	"(11) the term 'Program' means the Postal
12	Service Health Benefits Program established under
13	subsection (c) within the Federal Employees Health
14	Benefits Program;
15	"(12) the term 'Program plan' means a health
16	benefits plan offered under the Program; and
17	"(13) the definitions set forth in section 8901
18	shall apply, and for the purposes of applying such
19	definitions in carrying out this section, a Postal
20	Service employee and Postal Service annuitant shall
21	be treated in the same manner as an employee and
22	an annuitant (as those terms are defined in para-
23	graphs (1) and (3), respectively, of section 8901),
24	consistent with the requirements of this section.

1	"(b) APPLICATION.—The requirements under this
2	section shall—
3	"(1) apply to the initial contract year and each
4	contract year thereafter; and
5	"(2) supersede any other provision of this chap-
6	ter inconsistent with such requirements, as deter-
7	mined by the Office.
8	"(c) Establishment of the Postal Service
9	HEALTH BENEFITS PROGRAM.—
10	"(1) In general.—
11	"(A) ESTABLISHMENT.—The Office shall
12	establish the Postal Service Health Benefits
13	Program within the Federal Employees Health
14	Benefits Program under this chapter, under
15	which the Office may contract with carriers to
16	offer health benefits plans as described under
17	this section.
18	"(B) Applicability of chapter re-
19	QUIREMENTS TO CONTRACTS.—Except as other-
20	wise provided in this section, any contract de-
21	scribed in subparagraph (A) shall be consistent
22	with the requirements of this chapter for con-
23	tracts under section 8902 with carriers to offer
24	health benefits plans other than under this sec-
25	tion.

1	"(C) Program plans and participa-
2	TION.—The Program shall—
3	"(i) to the greatest extent prac-
4	ticable—
5	"(I) with respect to each plan
6	provided by a carrier under this sub-
7	chapter in which the total enrollment
8	includes, in the contract year begin-
9	ning in January 2023, 1,500 or more
10	enrollees who are Postal Service em-
11	ployees or Postal Service annuitants,
12	include a plan offered by that carrier
13	with equivalent benefits and cost-shar-
14	ing requirements as provided under
15	paragraph (2), except that the Direc-
16	tor of the Office may exempt any
17	comprehensive medical plan from this
18	requirement; and
19	"(II) include plans offered by any
20	other carrier determined appropriate
21	by the Office;
22	"(ii) provide for enrollment in Pro-
23	gram plans of Postal Service employees
24	and Postal Service annuitants, in accord-
25	ance with subsection (d);

1 "(iii) provide for enrollment in a Pro-2 gram plan as an individual, for self plus 3 one, or for self and family; and

> "(iv) not provide for enrollment in a Program plan of an individual who is not a Postal Service employee or Postal Service annuitant (except as a member of family of such an employee or annuitant or as provided under paragraph (4)).

"(2) Coverage with equivalent benefits and cost-sharing in the Program provides under the Program plans offered by the carrier benefits and cost-sharing requirements that are equivalent to the benefits and cost-sharing requirements under the health benefits plans offered by the carrier under this chapter that are not Program plans, except that prescription drug benefits and cost-sharing requirements may differ between the Program plans and other health benefits plans offered by the carrier under this chapter to the extent needed to integrate the Medicare part D prescription drug benefits coverage required under subsection (h)(2).

1	"(3) Applicability of federal employees
2	HEALTH BENEFITS PROGRAM REQUIREMENTS.—Ex-
3	cept as otherwise set forth in this section, the provi-
4	sions of this chapter applicable to health benefits
5	plans offered by carriers under section 8903 or
6	8903a shall apply to plans offered under the Pro-
7	gram.
8	"(4) Application of continuation cov-
9	ERAGE.—In accordance with rules established by the
10	Office, section 8905a shall apply to health benefits
11	plans offered under this section in the same manner
12	as such section applies to other health benefits plans
13	offered under this chapter.
14	"(d) Election of Coverage.—Each Postal Service
15	employee and Postal Service annuitant who elects to re-
16	ceive health benefits coverage under this chapter—
17	"(1) shall be subject to the requirements of this
18	section; and
19	"(2) may not enroll in any other health benefits
20	plan offered under any other section of this chapter.
21	"(e) REQUIREMENT OF MEDICARE ENROLLMENT
22	FOR CERTAIN ANNUITANTS AND THEIR FAMILY MEM-
23	BERS.—
24	"(1) Medicare covered annuitants.—Ex-
25	cept as provided under paragraph (3), a Postal Serv-

ice Medicare covered annuitant may not enroll in a Program plan unless the annuitant is entitled to benefits under Medicare part A and enrolled in Medicare part B.

"(2) Medicare covered family members.—
Except as provided under paragraph (3), in the case of a Postal Service annuitant who is entitled to benefits under Medicare part A and required under this subsection to enroll in Medicare part B to enroll under the Program, if a member of family of such Postal Service annuitant is a covered Medicare individual, that member of family may not enroll under the Program as a member of family of the Postal Service annuitant unless that member of family is entitled to benefits under Medicare part A and enrolled in Medicare part B.

### "(3) Exceptions.—

"(A) IN GENERAL.—The requirements under paragraphs (1) and (2), as applicable, shall not apply with respect to an individual in the following cases:

"(i) CURRENT POSTAL SERVICE ANNUITANTS.—The individual, as of January 1, 2025, is a Postal Service annuitant who is not both entitled to benefits under Medi-

1	care part A and enrolled in Medicare part
2	В.
3	"(ii) Current employees aged 64
4	AND OVER.—The individual, as of January
5	1, 2025, is a Postal Service employee and
6	is at least 64 years of age.
7	"(iii) Postal service medicare
8	COVERED ANNUITANTS AND FAMILY MEM-
9	BERS RESIDING ABROAD.—For any con-
10	tract year with respect to which the indi-
11	vidual is a Postal Service Medicare covered
12	annuitant or a member of family of a Post-
13	al Service Medicare covered annuitant and
14	resides outside the United States (which
15	includes the States, the District of Colum-
16	bia, the Commonwealth of Puerto Rico, the
17	Virgin Islands, Guam, American Samoa,
18	and the Northern Mariana Islands), pro-
19	vided that the individual demonstrates
20	such residency to the Postal Service in ac-
21	cordance with regulations issued by the
22	Postal Service.
23	"(iv) Postal service medicare
24	COVERED ANNUITANTS AND FAMILY MEM-

1	BERS ENROLLED UNDER VA COVERAGE.—
2	The individual—
3	"(I) is a Postal Service Medicare
4	covered annuitant or a member of
5	family of a Postal Service Medicare
6	covered annuitant; and
7	"(II) is enrolled in health care
8	benefits provided by the Department
9	of Veterans Affairs under subchapter
10	II of chapter 17 of title 38, United
11	States Code.
12	"(v) Postal service medicare cov-
13	ERED ANNUITANTS AND FAMILY MEMBERS
14	ELIGIBLE FOR IHS HEALTH SERVICES.—
15	The individual—
16	"(I) is a Postal Service Medicare
17	covered annuitant or a member of
18	family of a Postal Service Medicare
19	covered annuitant; and
20	"(II) is eligible for health services
21	from the Indian Health Service.
22	"(B) REGULATIONS FOR VA AND IHS EX-
23	CEPTIONS.—Not later than 1 year after the
24	date of enactment of this section, the Office
25	shall, in consultation with the Secretary of Vet-

1	erans Affairs, the Secretary of Health and
2	Human Services, and the Postmaster General,
3	promulgate any regulations necessary to imple-
4	ment clauses (iv) and (v) of subparagraph (A).
5	"(C) List of individuals residing
6	ABROAD.—The Postal Service shall provide a
7	list of individuals who satisfy the exception
8	under subparagraph (A)(iii) to the Office.
9	"(4) Process for information collection
10	AND DISSEMINATION.—The Postal Service and the
11	Office, in consultation with the Social Security Ad-
12	ministration and the Centers for Medicare & Med-
13	icaid Services, shall establish a process that will en-
14	able the Postal Service to timely inform Postal Serv-
15	ice employees, Postal Service annuitants, and mem-
16	bers of family of such employees and annuitants of
17	the requirements described in paragraphs (1) and
18	(2) in order to be eligible to enroll in Program plans
19	under this section.
20	"(f) Transitional Open Season.—
21	"(1) Definitions.—In this subsection—
22	"(A) the term 'current option', with re-
23	spect to an individual, means the option under
24	a plan under this chapter in which the indi-

vidual is enrolled during the contract year preceding the initial contract year; and

> "(B) the term 'current plan', with respect to an individual, means the plan under this chapter in which the individual is enrolled during the contract year preceding the initial contract year.

### "(2) Automatic enrollment.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C), in the case of an individual who is a Postal Service employee or Postal Service annuitant eligible to enroll in a Program plan under subsection (d), who is enrolled in a current plan, and who does not enroll in a Program plan during the open season that immediately precedes the initial contract year, the Office shall automatically enroll the individual, as of the start of the initial contract year, in a Program plan offered by the carrier of the individual's current plan.

"(B) CARRIERS OFFERING MULTIPLE PRO-GRAM PLANS OR OPTIONS.—If the carrier of the current plan of an individual described in subparagraph (A) offers more than 1 Program plan or option, the Office, in carrying out subparagraph (A), shall automatically enroll the individual in the plan and option that provide coverage with equivalent benefits and cost sharing, as described in subsection (c)(2), to the individual's current plan and current option.

"(C) Carrier of the current plan of an individual described in subparagraph (A) does not offer a Program plan, the Office, in carrying out subparagraph (A), shall automatically enroll the individual in the lowest-cost nationwide plan option within the Program that is not a high deductible health plan and does not charge an association or membership fee.

### "(g) OPM REGULATIONS.—

- "(1) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Director of the Office shall issue regulations to carry out this section.
- "(2) Consultation.—In issuing regulations under paragraph (1), the Director of the Office shall consult, as necessary, with the Secretary of Health and Human Services, the Secretary of Veterans Affairs, the Commissioner of Social Security, and the Postmaster General.

1	"(3) Contents.—The regulations issued under
2	paragraph (1) shall include—
3	"(A) any provisions necessary to imple-
4	ment this section;
5	"(B) a process under which Postal Service
6	annuitants and affected family members are
7	timely informed of the enrollment requirements
8	and may request, in writing, any additional en-
9	rollment information;
10	"(C) provisions under which a Postal Serv-
11	ice employee or Postal Service annuitant en-
12	rolled under the Program may request a belated
13	change of plan and may be prospectively en-
14	rolled in the plan of the employee's or annu-
15	itant's choice; and
16	"(D) provisions for individuals to cancel
17	coverage under the Program in writing to the
18	Postal Service because the individuals choose
19	not to enroll in, or to disenroll from, Medicare
20	part B.
21	"(h) Medicare Coordination.—
22	"(1) In General.—The Office shall require
23	each Program plan to provide benefits for covered
24	Medicare individuals pursuant to a coordination of
25	benefits method approved by the Office.

1	"(2) Medicare part d prescription drug
2	BENEFITS.—The Office shall require each Program
3	plan to provide prescription drug benefits to any
4	Postal Service annuitant and member of family of
5	such annuitant who is a part D eligible individual
6	(as defined in section 1860D–1(a)(3)(A) of the So-
7	cial Security Act) through employment-based retires
8	health coverage (as defined in section 1860D-
9	22(e)(1) of such Act) through—
10	"(A) a prescription drug plan (as defined
11	in section $1860D-41(a)(14)$ of such Act); or
12	"(B) contracts between such a Program
13	plan and PDP sponsor, as defined in section
14	1860D-41(a)(13) of such Act, of such a pre-
15	scription drug plan.
16	"(i) Postal Service Contribution.—
17	"(1) In general.—Subject to subsection (k),
18	for purposes of applying section 8906(b) to the
19	Postal Service, the weighted average shall be cal-
20	culated in accordance with paragraphs (2) and (3).
21	"(2) Weighted average calculation.—Not
22	later than October 1 of each year (beginning with
23	2024), the Office shall determine the weighted aver-
24	age of the rates established pursuant to subsection

(c)(2) for Program plans that will be in effect dur ing the following contract year with respect to—

"(A) enrollments for self only;

"(B) enrollments for self plus one; and

"(C) enrollments for self and family.

"(3) WEIGHTING IN COMPUTING RATES FOR INITIAL CONTRACT YEAR.—In determining such weighted average of the rates for the initial contract year, the Office shall take into account (for purposes of section 8906(a)(2)) the enrollment of Postal Service employees and annuitants in the health benefits plans offered by the initial participating carriers as of March 31, 2023.

"(4) Payment of late enrollment penalties.—The Postal Service may direct the Office to pay the amounts required by an agreement between the United States Postal Service and the Secretary of the Department of Health and Human Services under section 1839(e)(1) of the Social Security Act (42 U.S.C. 1395r(e)(1)) from the Postal Service Retiree Health Benefits Fund established under section 8909a until depleted and thereafter shall pay such amounts from the Postal Service Fund established under section 2003 of title 39.

"(j) Reserves.—

	_ 0
1	"(1) Separate reserves.—
2	"(A) IN GENERAL.—The Office shall en-
3	sure that each Program plan maintains sepa-
4	rate reserves (including a separate contingency
5	reserve) with respect to the enrollees in the
6	Program plan in accordance with section 8909.
7	"(B) Applicability of Section 8909 to
8	CONTINGENCY RESERVES.—All provisions of
9	section 8909 relating to contingency reserves
0	shall apply to contingency reserves of Program
1	plans in the same manner as to the contingency
2	reserves of other plans under this chapter, ex-
13	cept to the extent that such provisions are in-
4	consistent with the requirements of this sub-
5	section.
.6	"(C) References.—For purposes of the
17	Program, each reference to 'the Government' in
8	section 8909 shall be deemed to be a reference
9	to the Postal Service.
20	"(D) Amounts to be credited.—The
21	reserves (including the separate contingency re-
22	serve) maintained by each Program plan shall
23	be credited with a proportionate amount of the

funds in the reserves for health benefits plans

offered by the carrier.

24

1	"(2) Discontinuation of Program Plan.—
2	In applying section 8909(e) relating to a Program
3	plan that is discontinued, the Office shall credit the
4	separate Postal Service contingency reserve main-
5	tained under paragraph (1) for that plan only to the
6	separate Postal Service contingency reserves of the
7	Program plans continuing under this chapter.
8	"(k) No Effect on Existing Law.—Nothing in
9	this section shall be construed as affecting section 1005(f)
10	of title 39 regarding variations, additions, or substitutions
11	to the provisions of this chapter.
12	"(l) Health Benefits Education Program.—
13	"(1) Definition.—In this subsection, the term
14	'navigator' means an employee of the Postal Service
15	or of a contractor of the Postal Service who is des-
16	ignated by the Postal Service or contractor to carry
17	out activities under paragraph (5).
18	"(2) Establishment.—Not later than 18
19	months after the date of enactment of this section
20	the Postal Service shall establish a Health Benefits
21	Education Program.
22	"(3) Requirements.—In carrying out the
23	Health Benefits Education Program established
24	under paragraph (2), the Postal Service shall—

1	"(A) notify Postal Service annuitants and
2	Postal Service employees about the Postal Serv-
3	ice Health Benefits Program established under
4	subsection (c)(1);
5	"(B) provide information regarding the
6	Postal Service Health Benefits Program and
7	the requirements of this section to Postal Serv-
8	ice annuitants and Postal Service employees, in-
9	cluding—
10	"(i) a description of the health care
11	options available under such Program;
12	"(ii) the enrollment provisions of sub-
13	section (d); and
14	"(iii) the requirement that Postal
15	Service annuitants and their family mem-
16	bers be enrolled in Medicare under sub-
17	section (e);
18	"(C) respond and provide answers to any
19	inquiry from such employees and annuitants
20	about the Postal Service Health Benefits Pro-
21	gram, in consultation with the Office as nec-
22	essary;
23	"(D) in consultation with the Centers for
24	Medicare & Medicaid Services and the Social
25	Security Administration, provide information to

1	individuals about enrollment under the Medi-
2	care program under title XVIII of the Social
3	Security Act, and refer individuals to the Cen-
4	ters for Medicare & Medicaid Services and the
5	Social Security Administration as necessary for
6	additional enrollment information; and
7	"(E) carry out, or provide for through con-
8	tract or other arrangement, the activities de-
9	scribed in paragraph (5).
10	"(4) Information.—
11	"(A) Information from opm.—The Of-
12	fice shall timely provide the Postal Service with
13	such information as necessary to conduct the
14	Health Benefits Education Program.
15	"(B) COORDINATION WITH OPM.—The
16	Postal Service shall coordinate with the Office,
17	in consultation with the Centers for Medicare $\&$
18	Medicaid Services and the Social Security Ad-
19	ministration, to obtain and confirm the accu-
20	racy of information as the Postal Service deter-
21	mines to be necessary to conduct the Health
22	Benefits Education Program.
23	"(5) Navigator activities.—
24	"(A) ACTIVITIES.—The activities described
25	in this paragraph, with respect to Program

1	plans and the health care options available
2	under the Program, are the following:
3	"(i) Educational activities for annu-
4	itants and employees of the Postal Service
5	to raise awareness of the availability of
6	Program plans and requirements for en-
7	rolling in such plans, including require-
8	ments to be entitled to Medicare part A
9	and enroll in Medicare part B.
10	"(ii) Distribution of fair and impartial
11	information concerning enrollment in such
12	plans.
13	"(iii) Facilitation of enrollment in
14	such plans.
15	"(iv) Provision of information in a
16	manner that is culturally and linguistically
17	appropriate to the needs of the population
18	being served by the Program plans.
19	"(B) Standards.—
20	"(i) In General.—The Postal Serv-
21	ice shall establish standards for navigators
22	carrying out the activities under this para-
23	graph to—

1	"(I) engage in the navigator ac-
2	tivities described in subparagraph (A);
3	and
4	"(II) avoid conflicts of interest.
5	"(ii) Contents.—The standards es-
6	tablished under clause (i) shall provide
7	that a navigator may not—
8	"(I) be a health insurance car-
9	rier; or
10	"(II) receive any consideration
11	directly or indirectly from any health
12	insurance carrier in connection with
13	the enrollment of any individual in a
14	Program plan.
15	"(C) Fair and impartial information
16	AND SERVICES.—The Postal Service, in con-
17	sultation as necessary with the Office and the
18	Centers for Medicare & Medicaid Services, shall
19	develop standards to ensure that information
20	made available by navigators under this para-
21	graph is fair, accurate, and impartial.
22	"(6) Regulations.—
23	"(A) IN GENERAL.—Not later than 18
24	months after the date of enactment of this sec-
25	tion, the Postmaster General shall issue regula-

1	tions to establish the Health Benefits Edu-
2	cation Program required under this subsection.
3	"(B) Contents.—The regulations issued
4	under subparagraph (A) shall include—
5	"(i) provisions for the notification of
6	Postal Service annuitants and Postal Serv-
7	ice employees about the Program, includ-
8	ing a description of the available health
9	benefits options, including a process for
10	notifying Postal Service employees who be-
11	come eligible for Medicare part B and
12	Postal Service Medicare covered annuitants
13	about their choices;
14	"(ii) provisions for notifying Postal
15	Service annuitants, Postal Service employ-
16	ees, and their family members of the re-
17	quirements under subsection (e) to enroll
18	in Medicare as a condition of eligibility to
19	enroll in the Program; and
20	"(iii) a process, developed in consulta-
21	tion with the Social Security Administra-
22	tion, the Centers for Medicare & Medicaid
23	Services, and the Office, for addressing
24	any inquiry from Postal Service annuitants

1	and Postal Service employees about the
2	Program or Medicare enrollment.".
3	(2) Technical and conforming amend-
4	MENTS.—
5	(A) SERVICE BENEFIT PLANS.—Section
6	8903(1) of title 5, United States Code, is
7	amended by striking "two levels of benefits"
8	and inserting "at least 2 levels of benefits for
9	enrollees under this chapter generally and at
10	least 2 levels of benefits for enrollees under the
11	Postal Service Health Benefits Program estab-
12	lished under section 8903c".
13	(B) Table of Sections.—The table of
14	sections for chapter 89 of title 5, United States
15	Code, is amended by inserting after the item re-
16	lating to section 8903b the following:
	"8903c. Postal Service Health Benefits Program.".
17	(C) APPLICATION TO CERTAIN POSTAL
18	SERVICE ANNUITANTS OR FAMILY MEMBERS.—
19	Section 1862(b)(1)(E) of the Social Security
20	Act (42 U.S.C. 1395y(b)(1)(E)) is amended by
21	adding at the end the following:
22	"(iv) Application to certain post-
23	AL SERVICE ANNUITANTS OR FAMILY MEM-
24	BERS.—Nothing in this paragraph shall
25	prohibit a group health plan from deter-

1	mining an individual's eligibility to enroll
2	in a health benefits plan offered under the
3	Postal Service Health Benefits Program
4	under section 8903c of title 5, United
5	States Code, in accordance with subsection
6	(e) of such section.".
7	(b) Coordination With Medicare.—
8	(1) Part b special enrollment period.—
9	Section 1837 of the Social Security Act (42 U.S.C.
10	1395p) is amended by adding at the end the fol-
11	lowing new subsection:
12	"(o)(1) In the case of an individual who—
13	"(A) as of January 1, 2024, is—
14	"(i) a Postal Service annuitant who is enti-
15	tled to benefits under part A of title XVIII of
16	the Social Security Act, but excluding an indi-
17	vidual who is eligible to enroll under such part
18	under section 1818 of such Act or 1818A of
19	such Act (42 U.S.C. 1395i–2, 1395i–2a); or
20	"(ii) a member of family (as defined in sec-
21	tion 8901(5) of title 5, United States Code) of
22	a Postal Service annuitant and is entitled to
23	benefits under part A of title XVIII of the So-
24	cial Security Act, but excluding an individual
25	who is eligible to enroll under such part under

1	section 1818 of such Act or 1818A of such Act
2	(42 U.S.C. 1395i-2, 1395i-2a); and
3	"(B) is not enrolled under this part, the indi-
4	vidual may elect to be enrolled under this part dur-
5	ing a special enrollment period during the 6-month
6	period beginning on April 1, 2024.
7	"(2) In this subsection, the term 'Postal Service an-
8	nuitant' means an annuitant enrolled in a health benefits
9	plan under chapter 89 of title 5, United States Code,
10	whose Government contribution is required to be paid
11	under section 8906(g)(2) of such title.".
12	(2) Technical and conforming amend-
13	MENTS.—
14	(A) Part a enrollment.—Section
15	1818(c) of the Social Security Act (42 U.S.C.
16	1395i-2(c)) is amended, in the matter pre-
17	ceding paragraph (1), by striking "(except sub-
18	section (f) thereof)" and inserting "(except sub-
19	sections (f) and (o) thereof)".
20	(B) Coverage period under part b.—
21	Section 1838 of the Social Security Act (42
22	U.S.C. 1395q) is amended by adding at the end
23	the following:
24	"(i) Notwithstanding subsection (a), in the case of
25	an individual who enrolls during the special enrollment pe-

riod pursuant to section 1837(o), the coverage period shall 2 begin on January 1, 2025.". 3 (3) Treatment of Part B Late enrollment 4 PENALTY FOR INDIVIDUALS ENROLLING DURING 5 SPECIAL ENROLLMENT PERIOD.—Section 1839(e) of the Social Security Act (42 U.S.C. 1395r(e)) is 6 7 amended— (A) in paragraph (1), by striking "(as de-8 9 fined in paragraph (3)(A)" and by inserting 10 "(as defined in paragraph (3)(A)(i)). The Sec-11 retary shall enter into an agreement with the 12 United States Postal Service under which the 13 United States Postal Service agrees to pay on 14 a quarterly or other periodic basis to the Sec-15 retary (to be deposited in the Treasury to the 16 credit of the Federal Supplementary Medical 17 Insurance Trust Fund) an amount equal to the 18 amount of the part B late enrollment premium 19 increases with respect to the premiums for eligi-

(B) by amending paragraph (3)(A) to read as follows:

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individuals

(3)(A)(ii)."; and

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1	"(A) The term 'eligible individual' means
2	an individual who is enrolled under this part B
3	and who—
4	"(i) in the case of an agreement en-
5	tered into under the first sentence of para-
6	graph (1), is within a class of individuals
7	specified in such agreement; and
8	"(ii) in the case of an agreement en-
9	tered into under the second sentence of
10	paragraph (1), is so enrolled under this
11	part pursuant to the special enrollment pe-
12	riod under section 1837(o)".
13	(4) Part d egwp contracting conforming
14	AMENDMENT.—Section 1860D-22(b) of the Social
15	Security Act (42 U.S.C. 1395w-132(b)) is amended
16	by inserting before the period at the end the fol-
17	lowing: ", and shall be applied in a manner to facili-
18	tate the offering of prescription drug benefits under
19	a Program plan under section 8903c of title 5,
20	United States Code, as required under subsection
21	(h)(2) of such section, through employment-based
22	retiree health coverage through—
23	"(1) a prescription drug plan; or

- 1 "(2) contracts between such a Program plan
- 2 and the PDP sponsor of such a prescription drug 3 plan.".
- 4 (c) Information Sharing and Dissemination Re-
- 5 QUIRED FOR SPECIAL ENROLLMENT PERIOD AND EN-
- 6 FORCEMENT OF PART B ENROLLMENT REQUIRE-
- 7 ments.—
- 8 (1) Definitions.—In this subsection, the
- 9 terms "Medicare part A", "Medicare part B", "Of-
- fice", "Postal Service", and "Postal Service annu-
- itant" have the meanings given those terms in sec-
- tion 8903c of title 5, United States Code, as added
- by subsection (a).
- 14 (2) Information sharing by opm.—The Of-
- fice shall, by regulation, establish a process for pro-
- viding such information as is necessary to the Social
- 17 Security Administration regarding Postal Service an-
- nuitants (and the family members of such annu-
- itants) who may be eligible to enroll under Medicare
- 20 part B during the special enrollment period de-
- scribed in subsection (o) of section 1837 of the So-
- cial Security Act (42 U.S.C. 1395p), as added by
- subsection (b), or who may be subject to the enroll-
- 24 ment requirements described in paragraphs (1) and

- 1 (2) of section 8903c(e) of title 5, United States 2 Code, as added by subsection (a).
  - (3) Information shall growide to the Social Security Administration shall provide to the Office and the Postal Service information regarding whether a Postal Service annuitant, or a family member of such an annuitant, is entitled to benefits under Medicare part A and enrolled under Medicare part B, to assist the Office and the Postal Service in determining—
    - (A) which Postal Service annuitants, and family members of such annuitants, may be eligible to enroll under Medicare part B during the special enrollment period described in paragraph (2); and
    - (B) whether Postal Service annuitants, and family members of such annuitants, satisfy the enrollment requirements described in paragraphs (1) and (2) of section 8903c(e) of title 5, United States Code, as added by subsection (a).

### (d) Funding.—

(1) CMS APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to "the Centers for Medicare & Medicaid Services—

1 Program Management Account", out of any monies 2 the otherwise in Treasury not appropriated, 3 \$7,500,000 for fiscal year 2022, to remain available 4 until expended, for purposes of carrying out this sec-5 tion, including the amendments made by this sec-6 tion.

#### (2) SSA APPROPRIATION.—

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(A) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Social Security Administration, out of any monies in the Treasury not otherwise appropriated, \$16,000,000 for fiscal year 2022, to remain available until the date that is 1 year after the last day of the special enrollment period described in subsection (c)(2), for purposes of carrying out this section, with the exception of carrying out subsection (c)(3) for the purposes set forth in subsection (c)(3)(B), including the amendments made by this section.

(B) RELATION TO OTHER APPROPRIA-TION.—The amounts appropriated under subparagraph (A) shall be in addition to the Social Security Administration's Limitation on Administrative Expenditure appropriations.

- (3)OPM APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Office of Personnel Management, out of any monies in the Treasury not otherwise appropriated, \$70,500,000 for fiscal year 2022, to remain avail-able until expended, for purposes of carrying out this section, including the amendments made by this section.
  - (4) Funds credited by Postal Service.—
    The United States Postal Service shall deposit an amount equal to the sum of the amounts appropriated under paragraphs (1), (2), and (3) into the Treasury as a miscellaneous receipt from the Postal Service Fund in fiscal year 2022.
  - (5) Reimbursement for periodic SSA Data Sharing.—
    - (A) Inter-agency agreement.—The Commissioner of Social Security shall enter into an agreement with the Director of the Office under which the Director pays the Commissioner from the Postal Service administrative reserve the full costs (including systems and administrative costs) of providing the information described in subsection (c)(3) for the purpose set forth in subsection (c)(3)(B).

1	(B) Report to congress.—The Director
2	of the Office—
3	(i) shall report the amount paid under
4	subparagraph (A) annually to the Com-
5	mittee on Homeland Security and Govern-
6	mental Affairs of the Senate and the Com-
7	mittee on Oversight and Reform of the
8	House of Representatives; and
9	(ii) may satisfy the requirement under
10	clause (i) by including the amount paid
11	under subparagraph (A) in any other an-
12	nual report submitted to Congress.
13	SEC. 102. USPS FAIRNESS ACT.
14	(a) Short Title.—This section may be cited as the
15	"USPS Fairness Act".
16	(b) RATIONAL BENEFITS FUNDING AND ACCOUNT-
17	ING.—
18	(1) In General.—Section 8909a of title 5,
19	United States Code, is amended by striking sub-
20	section (d) and inserting the following:
21	"(d)(1) Not later than June 30, 2026, and by June
22	30 of each succeeding year, the Office shall compute, for
23	the most recently concluded fiscal year, the amount (if
24	any) that Government contributions required to be paid
25	from the Fund under section 8906(g)(2)(A) exceeded the

1	estimated net claims costs under the enrollment of the in-
2	dividuals described in section $8906(g)(2)(A)$ .
3	"(2) Not later than September 30 of each year in
4	which the Office makes a computation under paragraph
5	(1), the United States Postal Service shall pay into the
6	Fund the amount (if any) of the excess computed under
7	such paragraph.
8	"(e) Any computation required under section 3654(b)
9	of title 39 shall be based on—
10	"(1) the net present value of the future net
11	claims costs with respect to—
12	"(A) current annuitants of the United
13	States Postal Service as of the end of the fiscal
14	year ending on September 30 of the relevant re-
15	porting year; and
16	"(B) current employees of the United
17	States Postal Service who would, as of Sep-
18	tember 30 of that year—
19	"(i) be eligible to become annuitants
20	pursuant to section 8901(3)(A)(i) or (ii);
21	and
22	"(ii) if they were retired as of that
23	date, meet the criteria for coverage of an-
24	nuitants under section 8905(b).

1	"(2) economic and actuarial methods and as-
2	sumptions consistent with the methods and assump-
3	tions used in determining the Postal surplus or sup-
4	plemental liability under section 8348(h); and
5	"(3) any other methods and assumptions, in-
6	cluding a health care cost trend rate, that the Direc-
7	tor of the Office determines to be appropriate.
8	"(f) After consultation with the United States Postal
9	Service, the Office shall promulgate any regulations the
10	Office determines necessary under this subsection.
11	"(g) For purposes of this section, the term 'estimated
12	net claims costs' shall mean the difference between—
13	"(1) the sum of—
14	"(A) the estimated costs incurred by a car-
15	rier in providing health services to, paying for
16	health services provided to, or reimbursing ex-
17	penses for health services provided to, annu-
18	itants of the United States Postal Service and
19	any other persons covered under the enrollment
20	of such annuitants; and
21	"(B) an amount of indirect expenses rea-
22	sonably allocable to the provision, payment, or
23	reimbursement described in subparagraph (A),
24	as determined by the Office: and

- 1 "(2) the amount withheld from the annuity of 2 or paid by annuitants of the United States Postal Service under section 8906.". 3
  - (2) CLERICAL AMENDMENT.—The heading of section 8909a of title 5, United States Code, is amended by striking "Benefit" and inserting "Benefits".

### 8 (c) APPLICATION.—

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- (1) CANCELLATION OF PAYMENTS.—Any payment required from the Postal Service under section 8909a of title 5, United States Code, as in effect on the day before the date of enactment of this Act that remains unpaid as of such date of enactment is canceled.
- 15 (2) Effect of this act.—In any determina-16 tion relating to the future liability for retiree health 17 benefits of the United States Postal Service or the 18 Postal Service Retiree Health Benefits Fund, the 19 Office of Personnel Management shall take into ac-20 count the actual and reasonably expected effects of this Act.
- 22 (d) Use of Funds From Sale of Real Property
- FOR CERTAIN PAYMENTS.—

1	(1) In General.—Chapter 29 of title 39,
2	United States Code, is amended by adding at the
3	end the following:
4	"§ 2903. Use of funds from sale of property
5	"In the event that the Postal Service permanently
6	ceases operations, any funds derived from the sale of any
7	real property owned by the Postal Service shall be used
8	to pay any outstanding liability with respect to the salaries
9	and expenses of any Postal Service employee. The balance
10	of any remaining funds shall be deposited into the Postal
11	Service Retiree Health Benefits Fund established under
12	section 8909a of title 5.".
13	(2) CLERICAL AMENDMENT.—The table of sec-
14	tions of such chapter is amended by adding after the
15	item relating to section 2902 the following new item:
	"2903. Use of funds from sale of property.".
16	SEC. 103. NONPOSTAL SERVICES.
17	(a) Nonpostal Services.—
18	(1) In general.—Part IV of title 39, United
19	States Code, is amended by adding after chapter 36
20	the following:
21	"CHAPTER 37—NONPOSTAL SERVICES
	"Sec. "3701. Purpose. "3702. Definitions. "3703. Postal Service program for State governments.

"3705. Transparency and accountability for nonpostal services.

"3704. Postal Service program for other Government agencies.

### 1 **"§ 3701. Purpose**

- 2 "The purpose of this chapter is to enable the Postal
- 3 Service to increase its net revenues through specific non-
- 4 postal products and services that are expressly authorized
- 5 by this chapter.

### 6 "§ **3702. Definitions**

- 7 "In this chapter—
- 8 "(1) the term 'nonpostal services' is limited to
- 9 services offered by the Postal Service that are ex-
- pressly authorized by this chapter and are not postal
- 11 products or services;
- 12 "(2) the term 'costs attributable' has the mean-
- ing given such term in section 3631;
- 14 "(3) the term 'year' means a fiscal year;
- 15 "(4) the term 'local government' means a coun-
- ty, municipality, city, town, township, local public
- 17 authority, school district, special district, intrastate
- district, council of governments, or regional or inter-
- state government entity;
- 20 "(5) the term 'State government' includes the
- government of the District of Columbia, the Com-
- 22 monwealth of Puerto Rico, the United States Virgin
- 23 Islands, Guam, American Samoa, the Common-
- 24 wealth of the Northern Mariana Islands, and any
- other territory or possession of the United States;

1	"(6) the term 'tribal government' means the
2	government of an Indian tribe, as that term is de-
3	fined in section 4 of the Indian Self-Determination
4	and Education Assistance Act (25 U.S.C. 5304);
5	and
6	"(7) the term 'United States', when used in a
7	geographical sense, means the States, the District of
8	Columbia, the Commonwealth of Puerto Rico, the
9	United States Virgin Islands, Guam, American
10	Samoa, the Commonwealth of the Northern Mariana
11	Islands, and any other territory or possession of the
12	United States.
13	"§ 3703. Postal Service program for State govern-
	"§ 3703. Postal Service program for State govern- ments
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13 14	ments
13 14 15	ments "(a) In General.—Notwithstanding any other pro-
13 14 15 16 17	ments  "(a) In General.—Notwithstanding any other provision of this title, the Postal Service may establish a pro-
13 14 15 16 17	ments  "(a) IN GENERAL.—Notwithstanding any other provision of this title, the Postal Service may establish a program to enter into agreements with an agency of any State
13 14 15 16 17	ments  "(a) In General.—Notwithstanding any other provision of this title, the Postal Service may establish a program to enter into agreements with an agency of any State government, local government, or tribal government to
13 14 15 16 17 18	"(a) In General.—Notwithstanding any other provision of this title, the Postal Service may establish a program to enter into agreements with an agency of any State government, local government, or tribal government to provide property or nonpostal services to the public on be-
13 14 15 16 17 18 19 20	"(a) In General.—Notwithstanding any other provision of this title, the Postal Service may establish a program to enter into agreements with an agency of any State government, local government, or tribal government to provide property or nonpostal services to the public on behalf of such agencies for non-commercial purposes, but
13 14 15 16 17 18 19 20 21	"(a) In General.—Notwithstanding any other provision of this title, the Postal Service may establish a program to enter into agreements with an agency of any State government, local government, or tribal government to provide property or nonpostal services to the public on behalf of such agencies for non-commercial purposes, but only if—

1	ity of such services or by making such services
2	more accessible;
3	"(B) do not interfere with or detract from
4	the value of postal services, including by—
5	"(i) harming the cost and efficiency of
6	postal services; and
7	"(ii) unreasonably restricting access
8	to postal retail service, such as customer
9	waiting time and access to parking; and
10	"(2) such agreements provide a net contribution
11	to the Postal Service, defined as reimbursement that
12	covers at least 100 percent of the costs attributable
13	to all property and nonpostal services provided under
14	each relevant agreement in each year, except that
15	agreements determined to be substantially similar by
16	the Postal Service with the concurrence of the Postal
17	Regulatory Commission shall be reviewed based on
18	their collective revenue and costs attributable.
19	"(b) Public Notice.—Not more than 90 days after
20	offering a service under the program, the Postal Service
21	shall make available to the public on its website—
22	"(1) the agreement with the agency regarding
23	such service; and
24	"(2) a business plan that describes the specific
25	property or nonpostal service to be provided, the en-

- 1 hanced value to the public, and terms of reimburse-
- 2 ment to the Postal Service.
- 3 "(c) APPROVAL REQUIRED.—The Postal Service may
- 4 not establish the program under subsection (a) unless the
- 5 Governors of the Postal Service approve such program by
- 6 a recorded vote that is publicly disclosed on the Postal
- 7 Service website with a majority of the Governors then in
- 8 office voting for approval.
- 9 "(d) Confidential Information.—Subsection (b)
- 10 shall not be construed as requiring the Postal Service to
- 11 disclose to the public any information—
- "(1) described in section 410(c); or
- 13 "(2) exempt from public disclosure under sec-
- 14 tion 552(b) of title 5.
- 15 "§ 3704. Postal Service program for other Govern-
- 16 ment agencies
- 17 "The Postal Service may establish a program to pro-
- 18 vide property and nonpostal services to other Government
- 19 agencies within the meaning of section 411, but only if
- 20 such program provides a net contribution to the Postal
- 21 Service, defined as reimbursement that covers at least 100
- 22 percent of the costs attributable for property and non-
- 23 postal services provided by the Postal Service in each year
- 24 to such agencies.

### 43 1 "§ 3705. Transparency and accountability for non-2 postal services 3 "(a) Annual Report to the Commission.— "(1) In General.—Not later than 90 days 4 5 after the last day of each year, the Postal Service 6 shall submit to the Postal Regulatory Commission a 7 report that analyzes costs, revenues, rates, and qual-8 ity of service for each agreement or substantially 9 similar set of agreements for the provision of prop-10 erty or nonpostal services under section 3703 or the 11 program as a whole under section 3704, and any 12 other nonpostal service authorized under this chap-13 ter, using such methodologies as the Commission 14 may prescribe, and in sufficient detail to dem-15 onstrate compliance with the requirements of this 16 chapter. 17 "(2) Supporting matter.—A report sub-18 mitted under paragraph (1) shall include any non-19 public annex, the working papers, and any other 20 supporting matter of the Postal Service and the In-21 spector General related to the information submitted 22 in such report. 23 "(b) Content and Form of Report.— 24 "(1) IN GENERAL.—The Postal Regulatory

Commission shall, by regulation, prescribe the con-

tent and form of the report required under sub-

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1	section (a). In prescribing such regulations, the
2	Commission shall give due consideration to—
3	"(A) providing the public with timely, ade-
4	quate information to assess compliance;
5	"(B) avoiding unnecessary or unwarranted
6	administrative effort and expense on the part of
7	the Postal Service; and
8	"(C) protecting the confidentiality of infor-
9	mation that is commercially sensitive or is ex-
10	empt from public disclosure under section
11	552(b) of title 5.
12	"(2) Revised requirements.—The Commis-
13	sion may, on its own motion or on request of any
14	interested party, initiate proceedings to improve the
15	quality, accuracy, or completeness of Postal Service
16	data required by the Commission if—
17	"(A) the attribution of costs or revenues to
18	property, products, or services under this chap-
19	ter has become significantly inaccurate or can
20	be significantly improved;
21	"(B) the quality of service data provided to
22	the Commission for a report under this chapter
23	has become significantly inaccurate or can be
24	significantly improved; or

1 "(C) such revisions are, in the judgment of 2 the Commission, otherwise necessitated by the 3 public interest.

4 "(c) Audits.—The Inspector General shall regularly
5 audit the data collection systems and procedures used in
6 collecting information and preparing the report required
7 under subsection (a). The results of any such audit shall
8 be submitted to the Postal Service and the Postal Regu9 latory Commission.

### "(d) Confidential Information.—

"(1) IN GENERAL.—If the Postal Service determines that any document or portion of a document, or other matter, which it provides to the Postal Regulatory Commission in a nonpublic annex under this section contains information described in section 410(c), or exempt from public disclosure under section 552(b) of title 5, the Postal Service shall, at the time of providing such matter to the Commission, notify the Commission of its determination, in writing, and describe with particularity the documents (or portions of documents) or other matter for which confidentiality is sought and the reasons therefor.

"(2) TREATMENT.—Any information or other matter described in paragraph (1) to which the Commission gains access under this section shall be

1 subject to paragraphs (2) and (3) of section 504(g) 2 in the same way as if the Commission had received 3 notification with respect to such matter under sec-4 tion 504(g)(1). 5 "(e) Annual Compliance Determination.— 6 "(1) Opportunity for public comment.— 7 Upon receiving a report required under subsection 8 (a), the Postal Regulatory Commission shall prompt-9 ly— "(A) provide an opportunity for comment 10 11 on such report by any interested party; and 12 "(B) appoint an officer of the Commission 13 to represent the interests of the general public. 14 "(2) Determination of compliance or non-15 COMPLIANCE.—Not later than 90 days after receiv-16 ing a report required under subsection (a), the Post-17 al Regulatory Commission shall make a written de-18 termination as to whether the activities carried out 19 pursuant to this chapter during the applicable year 20 were or were not in compliance with the provisions 21 of this chapter. For purposes of this paragraph, any 22 case in which the requirements for coverage of costs 23 attributable have not been met shall be considered to 24 be a case of noncompliance. If, with respect to a

year, no instance of noncompliance is found to have

1 occurred, the determination shall be to that effect.

2 Such determination of noncompliance shall be in-

3 cluded with the annual compliance determination re-

4 quired under section 3653.

- "(3) Noncompliance is made under paragraph (2), the Postal Regulatory Commission shall take appropriate action. If the requirements for coverage of costs attributable specified by this chapter are not met, the Commission shall, within 60 days after the determination, prescribe remedial action to restore compliance as soon as practicable, including the full restoration of revenue shortfalls during the following year. The Commission may order the Postal Service to discontinue a nonpostal service under section 3703 that persistently fails to meet cost coverage requirements.
- "(4) Deliberate noncompliance.—In the case of deliberate noncompliance by the Postal Service with the requirements of this chapter, the Postal Regulatory Commission may order, based on the nature, circumstances, extent, and seriousness of the noncompliance, a fine (in the amount specified by the Commission in its order) for each incidence of such noncompliance. All receipts from fines imposed

1	under this subsection shall be deposited in the gen-
2	eral fund of the Treasury.
3	"(f) REGULATIONS REQUIRED.—The Postal Regu-
4	latory Commission shall issue such regulations as are nec-
5	essary to carry out this section.
6	"(g) Experimental Product Authority.—The
7	Postal Service may conduct market tests of agreements
8	pursuant to section 3703 and section 3704 of this chapter
9	subject to the same terms and conditions described in sec-
10	tion 3641 of this title. For the purposes of a market test,
11	the cost coverage requirements in sections $3703$ and $3704$
12	of this chapter shall not apply.".
13	(2) CLERICAL AMENDMENT.—The table of
14	chapters for part IV of title 39, United States Code,
15	is amended by adding after the item relating to
16	chapter 36 the following:
	"37. Nonpostal services
17	(b) Conforming Amendments.—
18	(1) Section 404.—Section 404(e) of title 39,
19	United States Code, is amended in paragraph (2),
20	by inserting after "subsection" the following: ", or
21	any nonpostal products or services authorized by
22	chapter 37".
23	(2) Section 411.—The last sentence of section
24	411 of title 39, United States Code, is amended by
25	striking "including reimbursability" and inserting

- 1 "including reimbursability within the limitations of2 chapter 37".
- 3 (3)TREATMENT OFEXISTING NONPOSTAL 4 SERVICES.—All individual nonpostal services, pro-5 vided directly or through licensing, that are contin-6 ued pursuant to section 404(e) of title 39, United 7 States Code, shall be considered to be expressly au-8 thorized by chapter 37 of such title (as added by 9 subsection (a)(1)) and shall be subject to the re-10 quirements of section 3705, subsections (a) through 11 (d).

### 12 TITLE II—POSTAL SERVICE

### 13 **OPERATIONAL REFORMS**

- 14 SEC. 201. PERFORMANCE TARGETS AND TRANSPARENCY.
- 15 (a) In General.—Subchapter VII of chapter 36 of
- 16 title 39, United States Code, is amended by inserting after
- 17 section 3691 the following:

### 18 "§ 3692. Performance targets and transparency

- 19 "(a) Performance Targets.—Each year, to en-
- 20 sure that mail service for postal customers meets the serv-
- 21 ice standards for market-dominant products, established
- 22 under section 3691, the Postal Service shall—
- "(1) not later than 60 days after the beginning
- of the fiscal year in which they will apply, establish
- and provide to the Postal Regulatory Commission

1	reasonable targets for performance for each product
2	and
3	"(2) provide the previous fiscal year's perform-
4	ance targets in its Annual Compliance Report to the
5	Postal Regulatory Commission for evaluation of
6	compliance for each product.
7	"(b) Postal Regulatory Commission Deter-
8	MINATION OF CERTAIN PERFORMANCE INFORMATION.—
9	Not later than 90 days after first receiving the perform-
10	ance targets under subsection (a)(1), the Postal Regu-
11	latory Commission shall provide to the Postal Service—
12	"(1) requirements for the Postal Service to
13	publish nationwide, regional, and local delivery area
14	performance information in accordance with sub-
15	section (e)(2) that—
16	"(A) are consistent with the organizational
17	structure of the delivery network of the Posta
18	Service (including at the District and Area or
19	ganizational levels, or the functional equiva-
20	lents, and, to the extent practicable, at the U.S
21	ZIP Code Area level);
22	"(B) reflect the most granular geographic
23	level of performance information appropriate
24	for the Postal Service to publish; and

1	"(C) includes time period segments for the
2	published geographic levels to satisfy the pub-
3	lishing requirements of subparagraphs (A) and
4	(C) of subsection (c)(2); and
5	"(2) recommendations for any modifications to
6	the Postal Service's measurement systems necessary
7	to measure and publish the performance information
8	under subsection (c)(2) that the Postal Regulatory
9	Commission deems relevant.
10	"(c) Public Performance Dashboard.—
11	"(1) In General.—The Postal Service shall
12	develop and maintain a publicly available Website
13	with an interactive web-tool that provides perform-
14	ance information for market-dominant products that
15	is updated on a weekly basis.
16	"(2) Performance information.—The per-
17	formance information provided for a market-domi-
18	nant product on the Website shall include—
19	"(A) the type of market-dominant product;
20	"(B) performance information for different
21	geographic areas, consistent with subsection
22	(b);
23	"(C) performance information for different
24	time periods, including annual, quarterly,
25	monthly, and weekly segments;

1	"(D) comparisons of performance informa-
2	tion for market-dominant products to perform-
3	ance information for previous time periods to
4	facilitate identification of performance trends
5	and
6	"(E) the performance targets then in ef-
7	fect, and the performance targets for the pre-
8	vious fiscal year, as established under sub-
9	section $(a)(1)$ .
10	"(3) Comprehensibility.—The Website shall
11	include plain language descriptions of the elements
12	required under paragraph (2) and information or
13	the collection process, measurement methodology
14	completeness, accuracy, and validity of the perform-
15	ance information provided on the Website.
16	"(4) Address search functionality.—The
17	Website shall include functionality to enable a user
18	to search for performance information by street ad-
19	dress, ZIP Code, or post office box.
20	"(5) FORMAT.—The Postal Service shall make
21	the performance information provided on the
22	Website available—
23	"( $\Lambda$ ) in a manner that—

1	"(i) presents the information required
2	under paragraph (2) on an interactive
3	dashboard;
4	"(ii) is searchable and may be sorted
5	and filtered by the elements described in
6	paragraph (2); and
7	"(iii) to the extent practicable, enables
8	any person or entity to download in bulk—
9	"(I) such performance informa-
10	tion; and
11	"(II) the results of a search by
12	the elements described in paragraph
13	(2);
14	"(B) under an 'open license' which has the
15	meaning given that term in section 3502 of title
16	44; and
17	"(C) as an 'open Government data asset'
18	and in a 'machine-readable' format which have
19	the meaning given those terms in section 3502
20	of title 44.
21	"(6) Consultation.—The Postal Service shall
22	regularly consult with the Postal Regulatory Com-
23	mission on appropriate features and information to
24	be included on the Website.

1	"(7) Public input.—The Postal Service
2	shall—
3	"(A) solicit public input on the design and
4	implementation of the Website; and
5	"(B) maintain a public feedback tool to en-
6	sure each feature of, and the information on,
7	the Website is usable and understandable.
8	"(8) Deadline.—The Postal Service shall im-
9	plement and make available to the public (and make
10	any subsequent changes in accordance with sub-
11	section (b)) the Website not later than 60 days from
12	the date on which the Postal Service receives the re-
13	quirements and recommendations from the Postal
14	Regulatory Commission under subsection (b), and
15	shall continuously update such information on the
16	Website as required by subsection (b).
17	"(9) AVAILABILITY.—A link and plain language
18	description of the Website shall be made available on
19	any webpage where performance targets and meas-
20	urements established under subsection (a)(1) are
21	made available to the public.
22	"(10) Reporting.—The Postal Service, the
23	Postmaster General, or the Board, as applicable,
24	shall reference the dashboard described in paragraph
25	(5)(A)(i) in the Annual Performance Plan under sec-

- tion 2803, the Annual Performance Report under section 2804, and the Annual Report under section
- 3 2402.
- 4 "(11) Definitions.—In this subsection—
- 5 "(A) PERFORMANCE INFORMATION.—The
- 6 term 'performance information' means the ob-
- 7 jective external performance measurements es-
- 8 tablished under section 3691(b)(1)(D).
- 9 "(B) Website.—The term 'Website'
- means the website described in paragraph (1).".
- 11 (b) Technical and Conforming Amendment.—
- 12 The table of sections for chapter 36 of title 39, United
- 13 States Code, is amended by inserting after the item relat-
- 14 ing to section 3691 the following:

"3692. Performance targets and transparency.".

### 15 SEC. 202. INTEGRATED DELIVERY NETWORK.

- 16 (a) IN GENERAL.—Section 101(b) of title 39, United
- 17 States Code, is amended by inserting before "The Postal
- 18 Service" the following: "The Postal Service shall maintain
- 19 an integrated network for the delivery of market-dominant
- 20 and competitive products (as defined in chapter 36 of this
- 21 title). Delivery shall occur at least six days a week, except
- 22 during weeks that include a Federal holiday, in emergency
- 23 situations, such as natural disasters, or in geographic
- 24 areas where the Postal Service has established a policy of

- 1 delivering mail fewer than six days a week as of the date
- 2 of enactment of the Postal Service Reform Act of 2022.".
- 3 (b) Rule of Construction.—Nothing in sub-
- 4 section (a) or the amendment made by such subsection
- 5 is intended to alter or amend the requirements of chapters
- 6 20 or 36 of title 39, United States Code, and related im-
- 7 plementing regulations, including provisions relating to
- 8 costing, accounting, or rates.

### 9 SEC. 203. REVIEW OF POSTAL SERVICE COST ATTRIBUTION

- 10 GUIDELINES.
- 11 Not later than the date that is one year after the
- 12 date of the enactment of this Act, the Postal Regulatory
- 13 Commission shall initiate a review of the regulations
- 14 issued pursuant to sections 3633(a) and 3652(a)(1) of
- 15 title 39, United States Code, to determine whether revi-
- 16 sions are appropriate to ensure that all direct and indirect
- 17 costs attributable to competitive and market-dominant
- 18 products are properly attributed to those products, includ-
- 19 ing by considering the underlying methodologies in deter-
- 20 mining cost attribution and considering options to revise
- 21 such methodologies. If the Commission determines, after
- 22 notice and opportunity for public comment, that revisions
- 23 are appropriate, the Commission shall make modifications
- 24 or adopt alternative methodologies as necessary.

### 1 SEC. 204. RURAL NEWSPAPER SUSTAINABILITY.

- 2 Section 3626(h) of title 39, United States Code, is
- 3 amended by striking "10 percent" and inserting "50 per-
- 4 cent".

### 5 SEC. 205. FUNDING OF POSTAL REGULATORY COMMISSION.

- 6 (a) IN GENERAL.—Subsection (d) of section 504 of
- 7 title 39, United States Code, is amended to read as fol-
- 8 lows:
- 9 "(d)(1) Not later than September 1 of each fiscal
- 10 year (beginning with fiscal year 2022), the Postal Regu-
- 11 latory Commission shall submit to the Postal Service a
- 12 budget of the Commission's expenses, including expenses
- 13 for facilities, supplies, compensation, and employee bene-
- 14 fits, for the following fiscal year. Any such budget shall
- 15 be deemed approved as submitted if the Governors fail to
- 16 adjust the budget in accordance with paragraph (2).
- 17 "(2)(A) Not later than 30 days after receiving a
- 18 budget under paragraph (1), the Governors holding office,
- 19 by unanimous written decision, may adjust the total
- 20 amount of funding requested in such budget. Nothing in
- 21 this subparagraph may be construed to authorize the Gov-
- 22 ernors to adjust any activity proposed to be funded by the
- 23 budget.
- 24 "(B) If the Governors adjust the budget under sub-
- 25 paragraph (A), the Postal Regulatory Commission shall
- 26 adjust the suballocations within such budget to reflect the

- total adjustment made by the Governors. The budget shall be deemed approved on the date the Commission makes 3 any such adjustments. The Commission may make further adjustments to the suballocations within such budget as 4 5 necessary. 6 "(3) Expenses incurred under any budget approved under this subsection shall be paid out of the Postal Serv-8 ice Fund established under section 2003.". 9 (b) Conforming Amendments.—Title 39, United 10 States Code, is amended— 11 (1) in section 2003(e), by striking "(B) all ex-12 penses of the Postal Regulatory Commission, subject 13 to the availability of amounts appropriated under section 504(d);" and inserting "(B) all expenses of 14 15 the Postal Regulatory Commission, pursuant to sec-16 tion 504(d);"; and 17 (2) in section 2009— (A) by striking ", (2)" and inserting ", 18 19 and (2)"; and (B) by striking ", and (3) the Postal Regu-20 21 latory Commission requests to be appropriated, 22 out of the Postal Service Fund, under section 23 504(d) of this title".
- SEC. 206. FLATS OPERATIONS STUDY AND REFORM.
- 25 (a) Flats Operations Study.—

1	(1) IN GENERAL.—The Postal Regulatory Com-
2	mission, in consultation with the Inspector General
3	of the United States Postal Service, shall conduct a
4	study to—
5	(A) comprehensively identify the causes of
6	inefficiencies in the collection, sorting, transpor-
7	tation, and delivery of Flats; and
8	(B) quantify the effects of the volume
9	trends, investments decisions, excess capacity,
10	and operational inefficiencies of the Postal
11	Service on the direct and indirect costs of the
12	Postal Service that are attributable to Flats.
13	(2) Postal service assistance.—For the
14	purposes of carrying out the study under paragraph
15	(1), the Postal Service shall, upon request by the
16	Postal Regulatory Commission, consult with the
17	Postal Regulatory Commission and provide—
18	(A) access to Postal Service facilities to
19	personnel of the Postal Regulatory Commission;
20	and
21	(B) information and records necessary to
22	conduct such study.
23	(3) Report.—Not later than one year after the
24	date of the enactment of this Act, the Postal Regu-
25	latory Commission shall submit to Congress and the

- Postmaster General a report on the findings of the study conducted under paragraph (1).
  - (4) FLATS DEFINED.—In this subsection, the term "Flats" means products that meet the physical standards described in the Domestic Mail Manual (as in effect on the date of the enactment of this Act) for Flats mail for any class of mail.

### (b) FLATS OPERATIONS REFORM.—

- (1) IN GENERAL.—Not later than six months after the date on which the Postal Regulatory Commission submits the report described in subsection (a)(3), the Postal Service shall—
  - (A) develop and implement a plan to remedy each inefficiency identified in the study conducted under subsection (a)(1) to the extent practicable; and
  - (B) if the Postal Service determines that remedying any such inefficiency is not practicable, provide to Congress and the Postal Regulatory Commission an explanation why remedying such inefficiency is not practicable, including whether it may become practicable to remedy such inefficiency at a later time.

1	(2) Implementation requirements.—Prior
2	to implementing the plan described in paragraph
3	(1)—
4	(A) the Postal Regulatory Commission
5	must approve the plan; and
6	(B) the Postal Service shall provide an
7	adequate opportunity for public comment on the
8	plan.
9	(3) COMPLETION NOTICE.—On the date on
10	which the plan described in paragraph (1) is fully
11	implemented, as determined by the Postmaster Gen-
12	eral, the Postmaster General shall submit to Con-
13	gress and the Postal Regulatory Commission a writ-
14	ten notice of such implementation.
15	(c) Subsequent Rate Adjustments.—During the
16	five-year period beginning on the date on which the Postal
17	Regulatory Commission submits a report under subsection
18	(a)(3), the Postal Service, when making any adjustment
19	to the rate of a market-dominant product (as defined in
20	section 102 of title 39, United States Code), shall consider
21	the findings of such report and, after the plan described
22	in subsection (b)(1) is implemented, the plan's efficacy in
23	remedying the inefficiencies identified in the study con-
24	ducted under subsection (a)(1).

### 1 SEC. 207. REPORTING REQUIREMENTS.

2	(a) In General.—Not later than 240 days after the
3	date of the enactment of this Act, and every six months
4	thereafter, the Postmaster General shall submit to the
5	President, the Postal Regulatory Commission, the Com-
6	mittee on Homeland Security and Governmental Affairs
7	of the Senate, and the Committee on Oversight and Re-
8	form of the House of Representatives a report on the oper-
9	ations and financial condition of the Postal Service during
10	the six-month period ending 60 days before the date on
11	which the Postmaster General submits such report.
12	(b) Contents.—Each report submitted under this
13	section shall include updates, details of changes from pre-
14	vious standards and requirements, and assessments of
15	progress being made on the operations and financial con-
16	dition of the Postal Service, including—
17	(1) the actual mail and package volume growth
18	relative to any mail or package volume growth pro-
19	jections previously made or relied upon by the Postal
20	Service, including a discussion of the reasons for the
21	differences in projections and the associated adjust-
22	ments being made;
23	(2) the effect of pricing changes on product vol-
24	ume for market-dominant and competitive products,
25	and associated revenue effects on financial projec-
26	tions, including a discussion of the reasons behind

- the differences in projections and associated adjustments being made;
  - (3) customer use of network distribution centers and processing and distribution centers;
  - (4) the status of the USPS Connect program and revenue effects of the program on the financial projections;
  - (5) the use of Priority Mail, Priority Mail Express, First-Class Package Service, and Parcel Select services (as such terms are defined in the Mail Classification Schedule as in effect on the date of the enactment of this Act) among customers and associated revenue effects;
  - (6) the use of USPS Connect Returns service among customers, and associated costs and revenue effects;
  - (7) the use of USPS E-Commerce Marketplace among customers, and associated costs and revenue effects;
  - (8) updates on the reliability, efficiency, and cost-effectiveness of the transportation network, including the manner in which ground transportation is utilized over air transportation for types of market-dominant products and competitive products;

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- (9) a review of efforts to enhance employee training, safety, and wellbeing, including associated effects on employee recruitment, satisfaction, and retention;
  - (10) a review of efforts being made to improve employee allocation, including changes of non-career employees to career status, and any associated impacts to operational expenses and processing, transportation, and delivery efficiency;
  - (11) the rate of planned investment into Postal Service processing, transportation, and delivery equipment and infrastructure for market-dominant and competitive products, and a review of any associated effects on operational expenses and efficiency;
  - (12) changes to network distribution centers and the expansion of regional distribution centers, including costs associated with the changes and any realized reduction in operational expenses or improved resource efficiencies;
  - (13) a review of the ability of the Postal Service to meet performance targets established under section 3692(a)(1) of title 39, United States Code;
  - (14) a discussion of the progress of the Postal Service in achieving any new, self-funded investments, including the amounts realized and expended

- to date, and a discussion of the reasons behind any disparities in the assumptions regarding the expected progress of the Postal Service getting new, self-funded investments to accommodate changes;
- 5 and

(15) any other information the Postal Service determines relevant, such as barriers or unanticipated events, in order to help the Postal Regulatory Commission, Congress, the President, and the American public evaluate the success or difficulties faced by the Postal Service in implementing the reform plan.

### (c) Confidential Information.—

- (1) IN GENERAL.—The report required under this subsection shall be submitted in a form that excludes any proprietary or confidential information and trade secrets.
- (2) Notification.—If the Postal Service determines that any information must be excluded under paragraph (1), the Postal Service shall, at the time of submitting the report, notify the President, the Committee on Oversight and Reform of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Postal Regulatory Commission in writ-

1	ing of its determination and describe in detail the in-					
2	formation for which confidentiality is sought and the					
3	reasons therefor.					
4	(3) Annexes.—The Postal Service shall submi					
5	to the persons and entities notified under paragrap					
6	(2) any information excluded under paragraph (1) is					
7	an annex that shall be treated as confidential in ac					
8	cordance with paragraph (4).					
9	(4) Treatment.—No person may, with respec					
10	to any information which such person receives under					
11	paragraph (4)—					
12	(A) use such information for purposes					
13	other than the purposes for which it is supplied;					
14	or					
15	(B) permit any person or entity other than					
16	a person or entity notified under paragraph (2),					
17	or the staff thereof, to have access to any such					
18	information.					
19	(d) TERMINATION.—This section shall terminate on					
20	the date that is five years after the date on which the firs					
21	report required by this section is submitted.					
22	SEC. 208. POSTAL SERVICE TRANSPORTATION SELECTION					
23	POLICY REVISIONS.					
24	Section 101(f) of title 39, United States Code, is					
25	amended—					

1	(1) by striking "prompt and economical" and					
2	inserting "prompt, economical, consistent, and reli					
3	able'';					
4	(2) by inserting after "all mail" the following:					
5	"in a manner that increases operational efficiency					
6	and reduces complexity";					
7	(3) by inserting "cost-effective" after "to					
8	achieve''; and					
9	(4) by inserting "also" after "Nation shall".					
10	SEC. 209. USPS INSPECTOR GENERAL OVERSIGHT OF POST					
11	AL REGULATORY COMMISSION.					
12	(a) In General.—Section 8G of the Inspector Gen-					
13	eral Act of 1978 (5 U.S.C. App.) is amended—					
14	(1) in subsection (a)(2), by striking "the Posta					
15	Regulatory Commission,"; and					
16	(2) in subsection (f)—					
17	(A) in paragraph (2)—					
18	(i) by striking "(2) In carrying" and					
19	inserting "(2)(A) In carrying"; and					
20	(ii) by adding at the end the fol-					
21	lowing:					
22	"(B) In carrying out the duties and responsibil-					
23	ities specified in this Act, the Inspector General of					
24	the United States Postal Service shall function as					
25	the Inspector General for the Postal Regulatory					

1	Commission, and shall have equal responsibility over					
2	the United States Postal Service and the Postal					
3	Regulatory Commission. The Commission shall com-					
4	ply with the Inspector General's oversight as if the					
5	Commission were a designated Federal entity under					
6	subsection (a)(2) and as if the Inspector General					
7	were the inspector general of the Commission. The					
8	Governors of the Postal Service shall not direct over-					
9	sight activities for the Postal Regulatory Commis-					
10	sion.";					
11	(B) in paragraph (3)(A)(i), by inserting					
12	"pertaining to the United States Postal Serv-					
13	ice" after "subpoenas,";					
14	(C) in paragraph (3)(B)(i), by inserting					
15	"and the Postal Regulatory Commission" after					
16	"United States Postal Service";					
17	(D) in paragraph (3)(C), by inserting "or					
18	the Postal Regulatory Commission" after "Gov-					
19	ernors'';					
20	(E) by redesignating paragraphs (4), (5),					
21	and (6) as paragraphs (5), (6), and (7), respec-					
22	tively; and					
23	(F) by inserting after paragraph (3) the					
24	following:					

1 "(4) For activities pertaining to the Postal Reg-2 ulatory Commission, sections 4, 5, 6 (other than 3 subsection (g) thereof), and 7 of this Act shall be 4 applied by substituting the term 'head of the Postal 5 Regulatory Commission' for 'head of the establish-6 ment'.''. 7 (b) APPOINTMENT AND REMOVAL.—Section 202 of 8 title 39, United States Code, is amended— 9 (1) in subsection (e)(1), by striking "The Gov-10 ernors shall appoint" and inserting "The Governors 11 and the members of the Postal Regulatory Commis-12 sion shall appoint, by a favorable vote of a majority 13 of the Governors in office and of a majority of the 14 members of the Commission in office,"; and 15 (2) in subsection (e)(3), by inserting "and 3 16 members of the Postal Regulatory Commission" 17 after "at least 7 Governors". 18 (c) Savings Provision.— 19 Personnel, documents, assets.—All 20 personnel, documents, assets, unexpended balances 21 of appropriations, and obligations of the Inspector 22 General for the Postal Regulatory Commission shall 23 transfer to the Inspector General of the Postal Serv-

ice on the effective date of this section.

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- (2) Legal documents.—Any order, determination, rule, regulation, permit, grant, loan, contract, agreement, certificate, license, or privilege that has been issued, made, granted, or allowed to become effective by the Inspector General of the Postal Regulatory Commission that is in effect on the effective date of this section shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law.
  - PROCEEDINGS.—This (3)section and amendments made by this section shall not affect any proceeding pending on the effective date of this section before the Inspector General of the Postal Regulatory Commission, but such proceeding shall be continued by the Inspector General of the Postal Service, at the discretion of that Inspector General. Nothing in this paragraph shall be construed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that the proceeding could have been discontinued or modified if this section and those amendments had not been enacted.
  - (4) Suits.—This section and the amendments made by this section shall not affect any suit com-

- 1 menced before the effective date of this section, and
- 2 in any such suit, proceeding shall be had, appeals
- 3 taken, and judgments rendered in the same manner
- 4 and with the same effect as if this section or such
- 5 amendments had not been enacted.
- 6 (5) References.—Any reference in any other
- 7 Federal law, Executive order, rule, regulation, or
- 8 delegation of authority, or any document relating to
- 9 the Inspector General of the Postal Regulatory Com-
- mission shall be deemed to refer to the Inspector
- General of the United States Postal Service.
- 12 (d) Technical and Conforming Amendment.—
- 13 Section 504 of title 39, United States Code, is amended
- 14 by striking subsection (h).
- 15 (e) Effective Date.—This section and the amend-
- 16 ments made by this section shall take effect on the date
- 17 that is 180 days after the date of enactment of this Act.

### 18 TITLE III—SEVERABILITY

- 19 SEC. 301. SEVERABILITY.
- 20 If any provision of this Act or any amendment made
- 21 by this Act, or the application of a provision of this Act
- 22 or an amendment made by this Act to any person or cir-
- 23 cumstance, is held to be unconstitutional, the remainder
- 24 of this Act, and the application of the provisions to any

- 1 person or circumstance, shall not be affected by the hold-
- 2 ing.

Passed the House of Representatives February 8, 2022.

Attest: CHERYL L. JOHNSON,

Clerk.

## Calendar No. 266

# 117TH CONGRESS H. R. 3076

### AN ACT

To provide stability to and enhance the services of the United States Postal Service, and for other purposes.

February 9, 2022

Read the second time and placed on the calendar