# Union Calendar No. 171

117TH CONGRESS 2D SESSION

# H. R. 3076

[Report No. 117-89, Parts I and II]

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

#### IN THE HOUSE OF REPRESENTATIVES

May 11, 2021

Mrs. Carolyn B. Maloney of New York (for herself, Mr. Connolly, Ms. Foxx, and Mr. Comer) introduced the following bill; which was referred to the Committee on Oversight and Reform, and in addition to the Committees on Energy and Commerce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

#### July 16, 2021

Reported from the Committee on Oversight and Reform with an amendment [Strike out all after the enacting clause and insert the part printed in italic]

#### July 16, 2021

Referral to the Committees on Energy and Commerce and Ways and Means extended for a period ending not later than September 30, 2021

#### September 30, 2021

Referral to the Committees on Energy and Commerce and Ways and Means extended for a period ending not later than November 8, 2021

#### NOVEMBER 4, 2021

Referral to the Committees on Energy and Commerce and Ways and Means extended for a period ending not later than November 18, 2021

#### November 18, 2021

Referral to the Committees on Energy and Commerce and Ways and Means extended for a period ending not later than December 3, 2021

#### **DECEMBER 3, 2021**

Referral to the Committees on Energy and Commerce and Ways and Means extended for a period ending not later than January 21, 2022

#### January 21, 2022

Referral to the Committees on Energy and Commerce and Ways and Means extended for a period ending not later than March 18, 2022

#### February 1, 2022

Additional sponsors: Mr. Lynch, Mrs. Lawrence, Mr. Huffman, Mr. THOMPSON of California, Mr. Young, Ms. Tenney, Mrs. Napolitano, Ms. Malliotakis, Mr. Kahele, Ms. Stefanik, Mr. Larsen of Washington, Mr. Garbarino, Mr. Soto, Mr. LaTurner, Mr. Case, Mr. GROTHMAN, Mr. HARDER of California, Ms. Mace, Mr. Suozzi, Mr. Bacon, Mr. Horsford, Mr. Valadao, Mr. Nadler, Mr. Mast, Mr. ESPAILLAT, Mr. RESCHENTHALER, Mr. KILDEE, Mr. BOST, Mr. Khanna, Mr. Smith of New Jersey, Ms. Titus, Mr. Gibbs, Ms. Kap-TUR, Mr. VAN DREW, Ms. MANNING, Mr. RODNEY DAVIS of Illinois, Mr. HIGGINS of New York, Mr. SIMPSON, Mr. COHEN, Mr. GONZALEZ of Ohio, Mr. Crow, Mr. Katko, Mr. Foster, Ms. Strickland, Ms. Roy-BAL-ALLARD, Ms. DELAURO, Mr. GALLEGO, Mr. COOPER, Ms. SCHA-KOWSKY, Ms. OCASIO-CORTEZ, Ms. MENG, Mr. FITZPATRICK, Ms. CRAIG, Mrs. Hayes, Ms. Waters, Mrs. Dingell, Mr. Gottheimer, Mr. OWENS, Mr. BURGESS, Mr. NEGUSE, Mr. JOYCE of Ohio, Mr. MORELLE, Ms. Sherrill, Mr. McCaul, Mr. García of Illinois, Mr. Sires, Mr. GARCIA of California, Mr. Jones, Ms. Granger, Ms. Newman, Mr. Armstrong, Ms. Bass, Mr. Kinzinger, Ms. Wild, Mr. Hudson, Ms. PORTER, Mr. SESSIONS, Mr. BUTTERFIELD, Mr. FORTENBERRY, Mr. Norcross, Mr. Rogers of Alabama, Mr. Krishnamoorthi, Mr. ROUZER, Mr. RUPPERSBERGER, Mr. CAWTHORN, Ms. LOFGREN, Mr. Graves of Missouri, Mr. Lowenthal, Mr. Upton, Mr. Lawson of Florida, Mr. Bucshon, Mr. Schneider, Mr. Tony Gonzales of Texas, Mrs. Axne, Mrs. Kim of California, Mr. Murphy of North Carolina, Mr. COURTNEY, Ms. ESHOO, and Mrs. Spartz

#### February 1, 2022

Committees on Energy and Commerce and Ways and Means discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on May 11, 2021]

# A BILL

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 Representatives of the United States of America in Congress assembled, SECTION 1. SHORT TITLE; TABLE OF CONTENTS. 4 (a) Short Title.—This Act may be cited as the "Postal Service Reform Act of 2021". 6 (b) Table of Contents of this 7 Act is as follows: Sec. 1. Short title; table of contents. 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 I—POSTAL SERVICE 8 FINANCIAL REFORMS 9 10 SEC. 101. POSTAL SERVICE HEALTH BENEFITS PROGRAM. 11 (a) Establishment.— 12 (1) In General.—Chapter 89 of title 5, United 13 States Code, is amended by inserting after section 14 8903b the following: 15 "§ 8903c. Postal Service Health Benefits Program "(a) Definitions.—In this section— 16

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 2023;
9	"(3) the term 'initial participating carrier'
10	means a carrier that enters into a contract with the
11	Office to participate in the Postal Service Health
12	Benefits Program during the initial contract year;
13	"(4) the term 'Medicare part A' means part A of
14	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 paid
2	pursuant to the requirements of section $8906(g)(2)$ ;
3	"(9) the term 'Postal Service employee' means an
4	employee of the Postal Service enrolled in a health
5	benefits plan under this chapter whose Government
6	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 Serv-
12	ice Health Benefits Program established under sub-
13	section (c) within the Federal Employees Health Ben-
14	efit Program;
15	"(12) the term 'Program plan' means a health
16	benefits plan offered under the Program; and
17	"(13) the terms set forth in section 8901 shall
18	apply.
19	"(b) Application.—The requirements under this sec-
20	tion shall—
21	"(1) apply to the initial contract year and each
22	contract year thereafter; and
23	"(2) supersede any other provision of this chap-
24	ter inconsistent with such requirements, as deter-
25	mined by the Office of Personnel Management.

1	"(c) Establishment of the Postal Service
2	Health Benefits Program.—
3	"(1) In general.—The Office shall establish the
4	Postal Service Health Benefits Program under which
5	the Office contracts with carriers to offer health bene-
6	fits plans as described under this section. Except as
7	otherwise provided in this section, any such contract
8	shall be consistent with the requirements of this chap-
9	ter for contracts under section 8902 with carriers to
10	offer health benefits plans other than under this sec-
11	tion. The Program shall—
12	"(A) to the greatest extent practicable, in-
13	clude plans offered by—
14	"(i) each carrier for which the total en-
15	rollment in the plans provided under this
16	chapter includes, in the contract year begin-
17	ning in January 2022, 1,500 or more en-
18	rollees who are Postal Service employees or
19	Postal Service annuitants; and
20	"(ii) any other carrier determined ap-
21	propriate by the Office;
22	"(B) be available for participation by Post-
23	al Service employees and Postal Service annu-
24	itants, in accordance with subsection (d);

- 1 "(C) provide for enrollment in a plan as an 2 individual, for self plus one, or for self and fam-3 ily; and
  - "(D) not be available for participation by 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 (5)).
  - "(2) SEPARATE POSTAL SERVICE RISK POOL.—
    The Office shall ensure that each Program plan includes rates that reasonably and equitably reflect the cost of benefits provided to a risk pool consisting solely of Postal Service employees, Postal Service annuitants, and covered members of family of such employees and annuitants (regardless of the health plan, coverage, or benefit program in which such an employee, annuitant, or member of family is enrolled), taking into specific account the change in benefits cost for the Program plan due to the Medicare enrollment requirements under subsection (e) and any savings or subsidies resulting from subsection (f).
  - "(3) ACTUARIALLY EQUIVALENT COVERAGE.—
    The Office shall ensure that each carrier participating
    in the Postal Service Health Benefits Program provides coverage under the Program plans offered by the

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- carrier that is actuarially equivalent, as determined by the Office, to the coverage that the carrier provides under the health benefits plans offered by the carrier under this chapter that are not Program plans.
  - "(4) Applicability of federal employees
    Health Benefits program requirements.—Except as otherwise set forth in this section, all provisions of this chapter applicable to health benefits
    plans offered by carriers under section 8903 or 8903a
    shall apply to plans offered under the Program.
  - "(5) APPLICATION OF CONTINUATION COV-ERAGE.—In accordance with rules established by the Office, section 8905a shall apply to health benefits plans offered under this section in the same manner as such section applies to other health benefits plans offered under this chapter.

## "(d) Election of Coverage.—

- "(1) In General.—Except as provided in paragraph (2), each Postal Service employee and Postal Service annuitant who elects to receive health benefits coverage under this chapter—
- 22 "(A) shall be subject to the requirements of 23 this section; and

1	"(B) may not enroll in any other health
2	benefits plan offered under any other section of
3	this chapter.
4	"(2) Exceptions.—
5	"(A) Lack of Geographic Coverage.—
6	An individual who is a Postal Service employee
7	or Postal Service annuitant may enroll in a
8	health benefits plan offered under any other sec-
9	tion of this chapter if the individual resides in
10	a geographic area for which there is not a Pro-
11	gram plan in which the individual may enroll.
12	"(B) Annuitants as of program incep-
13	TION.—
14	"(i) Current medicare covered an-
15	NUITANTS.—
16	"(I) In General.—Subject to
17	subclause (II), in the case of an indi-
18	vidual who, as of January 1, 2023, is
19	a Postal Service Medicare covered an-
20	nuitant who has not enrolled in both
21	Medicare part A and Medicare part B,
22	such individual may enroll in a health
23	benefits plan offered under any other
24	section of this chapter, and may not
25	enroll in a Program plan.

"(II) 1 Program Plan Enroll-2 MENT FOLLOWING MEDICARE PARTS A 3 AND B ENROLLMENT.—In the case of 4 an individual described in subclause 5 (I) who subsequent to January 1, 2023, 6 is enrolled in both Medicare part A 7 and Medicare part B, beginning with 8 the first contract year beginning after 9 the date such individual is enrolled in 10 both Medicare part A and Medicare 11 part B, subclause (I) shall no longer 12 apply to such individual and such in-13 dividual may receive health benefits 14 under this chapter only through a Pro-15 gram plan. 16 "(ii) Pre-medicare annuitants.— 17 In general.—Subject to 18 subclause (II), an individual who, as 19 of January 1, 2023, is a Postal Service 20 annuitant and is not a Postal Service 21 Medicare annuitant (for a reason other 22 than eligibility to enroll in Medicare 23 part A under section 1818 or 1818A of 24 the Social Security Act) may enroll in 25 either a Program plan or in a health

1	benefits plan offered under any other
2	section of this chapter.
3	"(II) Exception.—In the case of
4	an individual described in subclause
5	(I) who enrolls in a Program plan for
6	any contract year beginning on or
7	after the date on which the individual
8	becomes a Postal Service Medicare cov-
9	ered annuitant, beginning with such
10	contract year, subclause (I) shall no
11	longer apply to the individual and the
12	individual may receive health benefits
13	under this chapter only through enroll-
14	ment in a Program plan.
15	"(C) CERTAIN EMPLOYEES AS OF PROGRAM
16	INCEPTION.—
17	"(i) Legacy coverage.—A Postal
18	Service employee who is enrolled in a health
19	benefits plan under this chapter for the con-
20	tract year immediately preceding the initial
21	contract year that is not a health benefits
22	plan offered by an initial participating car-
23	rier may enroll in either a Program plan or
24	in a health benefits plan offered under any
25	other section of this chapter, except that—

1	"(I) if the Postal Service employee
2	changes enrollment to a different health
3	benefits plan under this chapter during
4	the open season for the initial contract
5	year, or after the start of the initial
6	contract year, the Postal Service em-
7	ployee may only enroll in a Program
8	plan;
9	"(II) if the health benefits plan in
10	which such employee is enrolled for
11	such contract year becomes available as
12	a Program plan, the Postal Service
13	employee may only enroll in a Pro-
14	gram plan; and
15	"(III) upon becoming a Postal
16	Service annuitant, if the Postal Service
17	employee elects to continue coverage
18	under this chapter, the Postal Service
19	employee shall enroll in a Program
20	plan during the open season that is—
21	"(aa) being held when the
22	Postal Service employee becomes a
23	Postal Service annuitant; or
24	"(bb) if the date on which the
25	Postal Service employee becomes a

1	Postal Service annuitant falls out-
2	side of an open season, the first
3	open season following that date.
4	"(ii) Current employees aged 64
5	AND OVER.—
6	"(I) In General.—Subject to
7	subclause (II), an individual who, as
8	of January 1, 2023, is a Postal Service
9	employee and is at least 64 years of
10	age may enroll in either a Program
11	plan or in a health benefits plan of-
12	fered under any other section of this
13	chapter.
14	"(II) Exception.—In the case of
15	an individual described in subclause
16	(I) who enrolls in a Program plan for
17	any contract year beginning on or
18	after the date on which the individual
19	becomes a Postal Service Medicare cov-
20	ered annuitant, beginning with such
21	contract year, subclause (I) shall no
22	longer apply to the individual and the
23	individual may receive health benefits
24	under this chapter only through enroll-
25	ment in a Program plan.

1	"(D) CERTAIN OTHER ANNUITANTS.—
2	"(i) Annuitants and family mem-
3	BERS EXCLUDED FROM PREMIUM-FREE
4	MEDICARE PART A.—
5	"(I) In general.—Subject to
6	subclause (II), a Postal Service annu-
7	itant who is eligible to enroll in Medi-
8	care Part A under section 1818 or
9	1818A of the Social Security Act may
10	enroll in either a Program plan or in
11	a health benefits plan offered under
12	any other section of this chapter if the
13	annuitant—
14	"(aa) is eligible to enroll in
15	Medicare part A under section
16	1818 or 1818A of the Social Secu-
17	$rity\ Act;\ or$
18	"(bb) includes in the annu-
19	itant's plan enrollment one or
20	more family members who are eli-
21	$gible\ to\ enroll\ in\ Medicare\ part\ A$
22	under section 1818 or 1818A of
23	$such\ Act.$
24	"(II) Exception.—In the case of
25	an annuitant described in subclause

1	(I) who enrolls in a Program plan for
2	any contract year beginning on or
3	after the date on which the annuitant
4	or any member of family covered by
5	the enrollment becomes eligible to enroll
6	in Medicare part A, beginning with
7	such contract year, subclause (I) shall
8	no longer apply to the annuitant and
9	the annuitant may receive health bene-
10	fits under this chapter only through
11	enrollment in a Program plan.
12	"(ii) Limited or redundant cov-
13 E	ERAGE.—An individual who is a Postal
14	Service annuitant may enroll either in a
15	Program plan (subject to subsection (e) of
16 t	his section and to sections 226(j) and
17 1	(837(o)(2) of the Social Security Act) or in
18	n health benefits plan offered under any
19 <i>o</i>	ther section of this chapter for any con-
20 t	ract year in which the annuitant or mem-
21 <i>b</i>	er of family covered by the enrollment, re-
22 s	pectively, is a covered Medicare individual
23	and—
24	"(I) the annuitant or family
25	member, respectively, resides in an

1	area where the Office has determined
2	that no Medicare providers are avail-
3	able;
4	"(II) the annuitant receives com-
5	prehensive medical coverage provided
6	by the Department of Veterans Affairs
7	under subchapter II of chapter 17 of
8	title 38, United States Code; or
9	"(III) the annuitant receives com-
10	prehensive medical coverage provided
11	by the Indian Health Service under the
12	Indian Health Care Improvement Act
13	(25 U.S.C. 1601 et seq.).
14	"(iii) Regulations.—Not later than
15	90 days after the date of enactment of this
16	section, the Office shall, in consultation
17	with the Secretary of Health and Human
18	Services, the Secretary of Veterans Affairs,
19	and the Postmaster General, promulgate
20	any regulations necessary to implement this
21	subparagraph.
22	"(e) Requirement of Medicare Enrollment for
23	CERTAIN ANNUITANTS AND THEIR FAMILY MEMBERS.—
24	"(1) Annuitants.—Except as provided under
25	subsection (d)(2), a Postal Service Medicare covered

1	annuitant may not enroll under a Program plan un-
2	less the annuitant is enrolled in both Medicare para
3	A and Medicare part B.
4	"(2) Medicare covered family members.—In
5	the case of a Postal Service annuitant who is required
6	under this subsection to enroll in Medicare part A
7	and Medicare part B to enroll under the Program, is
8	a member of family of such Postal Service annuitant
9	is a covered Medicare individual or is eligible to en-
10	roll in Medicare Part A under section 1818 or 1818A
11	of the Social Security Act, that member of family
12	may not enroll under the Program as a member of
13	family of the Postal Service annuitant unless that
14	member of family is enrolled in both Medicare para
15	A and Medicare part B.
16	"(3) Process for coordinated election of
17	MEDICARE ENROLLMENT.—The Office shall establish a
18	process under which—
19	"(A) Postal Service annuitants and mem-
20	bers of family who are subject to the require-
21	ments of paragraph (1) or (2)—
22	"(i) are informed, prior to enrollment
23	under this section, of such requirement; and

1 "(ii) receive requests for any addi-2 tional information necessary for enrollment 3 in writing; and

> "(B) the Office provides the Secretary of Health and Human Services and the Commissioner of Social Security in a timely manner with such information with respect to such annuitants and members of family and such election as may be required to effect their enrollment and coverage under Medicare part A and Medicare part B and this section in a timely manner, including to effect deemed enrollments, if applicable under sections 226(j) and 1837(o) of the Social Security Act, for such continuous period as such annuitant or member of family involved otherwise maintains eligibility for enrollment under Medicare part A and Medicare part B, to have elected to be enrolled under such part (in accordance with such sections) in connection with the enrollment in a Program plan under this section.

# "(f) Medicare Coordination.—

"(1) In General.—The Office shall require each Program plan to provide benefits for covered Medicare individuals (and individuals eligible to enroll in

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- Medicare part A pursuant to section 1818 or 1818A

  of the Social Security Act) pursuant to the same coordination of benefits method used in connection with

  plans offered under any other section of this chapter.
  - "(2) Medicare part D prescription drug
    Benefits.—The Office shall require each Program
    plan to provide prescription drug benefits to any
    Postal Service annuitant and member of family of
    such annuitant who is a part D eligible individual
    (as defined in section 1860D–1(a)(3)(A) of the Social
    Security Act) through employment-based retiree
    health coverage (as defined in section 1860D–22(c)(1)
    of such Act) through a prescription drug plan (as defined in section 1860D–41(a)(14) of such Act).

### "(g) Postal Service Contribution.—

- "(1) In General.—Subject to subsection (i), for purposes of applying section 8906(b) to the Postal Service, the weighted average shall be calculated in accordance with paragraphs (2) and (3).
- "(2) Weighted Average calculation.—Not later than October 1 of each year (beginning with 2022), the Office shall determine the weighted average of the rates established pursuant to subsection (c)(2) for Program plans that will be in effect during the following contract year with respect to—

1	"(A) enrollments for self only;
2	"(B) enrollments for self plus one; and
3	"(C) enrollments for self and family.
4	"(3) Weighting in computing rates for ini-
5	TIAL CONTRACT YEAR.—In determining such weighted
6	average of the rates for the initial contract year, the
7	Office shall take into account (for purposes of section
8	8906(a)(2)) the enrollment of Postal Service employ-
9	ees and annuitants in the health benefits plans offered
10	by the initial participating carriers as of March 31,
11	2022.
12	"(h) Reserves.—
13	"(1) Separate reserves.—
14	"(A) In general.—The Office shall ensure
15	that each Program plan maintains separate re-
16	serves (including a separate contingency reserve)
17	with respect to the enrollees in the Program plan
18	in accordance with section 8909. All provisions
19	of section 8909 relating to contingency reserves
20	shall apply to contingency reserves of Program
21	plans in the same manner as to those of other
22	plans under this chapter, except to the extent
23	that such provisions are inconsistent with the re-
24	quirements of this subsection.

1	"(B) References.—For purposes of the
2	Program, each reference to 'the Government' in
3	section 8909 shall be deemed to be a reference to
4	the Postal Service.
5	"(C) Amounts to be credited.—The re-
6	serves (including the separate contingency re-
7	serve) maintained by each Program plan shall be
8	credited with a proportionate amount of the
9	funds in the reserves for health benefits plans of-
10	fered by the carrier.
11	"(2) Discontinuation of program plan.—In
12	applying section 8909(e) relating to a Program plan
13	that is discontinued, the Office shall credit the sepa-
14	rate Postal Service contingency reserve maintained
15	under paragraph (1) for that plan only to the sepa-
16	rate Postal Service contingency reserves of the Pro-
17	gram plans continuing under this chapter.
18	"(i) No Effect on Existing Law.—Nothing in this
19	section shall be construed as affecting section 1005(f) of title
20	39 regarding variations, additions, or substitutions to the
21	provisions of this chapter.
22	"(j) Health Benefits Education Program.—
23	"(1) Not later than 180 days after the date of en-
24	actment of this section, the Postal Service shall estab-

1	lish a Health Benefits Education Program. Under the
2	Program, the Postal Service shall—
3	"(A) notify annuitants and employees of the
4	Postal Service about the Postal Service Health
5	Benefits Program established under subsection
6	(c)(1);
7	"(B) provide information regarding the
8	Postal Service Health Benefits Program to such
9	annuitants and employees, including a descrip-
10	tion of the health care options available under
11	such Program, the enrollment provisions of sub-
12	section (d), and the requirement that annuitants
13	and their family members be enrolled in Medi-
14	care under subsection (e); and
15	"(C) in coordination with the Centers for
16	Medicare & Medicaid Services and the Commis-
17	sioner of Social Security, respond and provide
18	answers to any inquiry from such employees and
19	annuitants about the Postal Service Health Ben-
20	efits Program or Medicare enrollment.
21	"(2) The Office shall timely provide the Postal
22	Service with such information as the Postal Service
23	determines to be necessary to conduct the Medicare
24	Education Program.".

1	(2) Technical and conforming amend-
2	MENTS.—
3	(A) Section 8903(1) of title 5, United States
4	Code, is amended by striking "two levels of bene-
5	fits" and inserting "2 levels of benefits for enroll-
6	ees under this chapter generally and 2 levels of
7	benefits for enrollees under the Postal Service
8	Health Benefits Program established under sec-
9	tion~8903c".
10	(B) The table of sections for chapter 89 of
11	title 5, United States Code, is amended by in-
12	serting after the item relating to section 8903b
13	$the\ following:$
	"8903c. Postal Service Health Benefits Program.".
14	(b) Coordination With Medicare.—
15	(1) Medicare part a.—Section 226 of the So-
16	cial Security Act (42 U.S.C. 426) is amended by add-
17	ing at the end the following new subsection:
18	" $(j)(1)$ In the case of an individual who—
19	"(A) on or after January 1, 2023, is—
20	"(i) a Postal Service employee;
21	"(ii) a Postal Service annuitant who is
22	not a Postal Service Medicare covered an-
23	$nuitant;\ or$
24	"(iii) a member of family of a Postal
25	Service employee or of a Postal Service an-

1	nuitant and who is not described in section
2	1837(o)(1) of this Act; and
3	"(B) enrolls in a Program plan under sec-
4	tion 8903c of title 5, United States Code,
5	such individual is deemed to be enrolled under this
6	part, regardless of whether such individual has filed
7	an application under subparagraph (A) or (C) of sub-
8	section $(a)(2)$ .
9	"(2) Entitlement to hospital benefits under part
10	A by reason of paragraph (1) begins as of—
11	"(A) in the case of an individual who is a
12	Postal Service employee or a Postal Service an-
13	nuitant who is eligible to become a Postal Serv-
14	ice Medicare covered annuitant, the date on
15	which the individual becomes a Postal Service
16	Medicare covered annuitant or the date of enroll-
17	ment in a Program plan, whichever is later;
18	"(B) in the case of an individual who is eli-
19	gible to enroll under section 1818 or 1818A, the
20	date on which the individual attains such eligi-
21	bility or the date of enrollment in a Program
22	plan whichever is later; and
23	"(C) in the case of an individual who is de-
24	scribed in paragraph (1)(A)(iii) and is eligible
25	to become a covered Medicare individual, as of

1	the first date the individual becomes a covered
2	Medicare individual or the date of enrollment in
3	a Program plan, whichever is later.
4	"(3) The definitions in section 8903c(a) of title
5	5, United States Code, shall apply for purposes of this
6	subsection.
7	"(4) Nothing in this subsection shall be construed
8	to deprive any individual of any other method or pe-
9	riod of enrollment to which such individual is entitled
10	under this section.".
11	(2) Medicare part B.—
12	(A) Enrollment.—Section 1837 of the So-
13	cial Security Act (42 U.S.C. 1395p) is amended
14	by adding at the end the following new sub-
15	section:
16	"(o)(1) In the case of an individual who—
17	"(A) as of January 1, 2023, is—
18	"(i) a Postal Service Medicare covered
19	annuitant; or
20	"(ii) a member of family of a Postal
21	Service employee or of a Postal Service an-
22	nuitant and is a covered Medicare indi-
23	vidual;

1	"(B) intends to enroll in a Program plan
2	under section 8903c of title 5, United States
3	Code, for the initial contract year; and
4	"(C) is not enrolled under this part,
5	the individual may elect to be enrolled under this
6	part during a special enrollment period during the 3-
7	month period beginning on January 1, 2023.
8	"(2) In the case of an individual who—
9	"(A) on or after January 1, 2023, is—
10	"(i) a Postal Service employee;
11	"(ii) a Postal Service annuitant who is
12	not a Postal Service Medicare covered an-
13	nuitant; or
14	"(iii) a member of family of a Postal
15	Service employee or of a Postal Service an-
16	nuitant and who is not described in para-
17	graph (1); and
18	"(B) enrolls in a Program plan under sec-
19	tion 8903c of title 5, United States Code;
20	the individual shall be deemed to have enrolled in the
21	medical insurance program established by this part.
22	"(3) The definitions in section 8903c(a) of title
23	5, United States Code, shall apply for purposes of this
24	subsection.

1	"(4) Nothing in this subsection shall be construed
2	to deprive any individual of any other method or pe-
3	riod of enrollment to which such individual is entitled
4	under this section.".
5	(B) Coverage periods.—Section 1838 of
6	the Social Security Act (42 U.S.C. 1395q) is
7	amended by adding at the end the following new
8	subsection:
9	"(i) Notwithstanding subsection (a)—
10	"(1) in the case of an individual who enrolls
11	under this part pursuant to a special enrollment pe-
12	riod under paragraph (1) of section 1837(o), the cov-
13	erage period under this part shall begin on the date
14	that the individual first has coverage under the Pro-
15	gram plan pursuant to the enrollment described in
16	paragraph (1)(B) of such section; and
17	"(2) in the case of an individual who is deemed
18	enrolled under paragraph (2) of section 1837(o), the
19	coverage period under this part shall begin as of—
20	"(A) in the case of such an individual who
21	is a Postal Service employee or a Postal Service
22	annuitant who is eligible to become a Postal
23	Service Medicare covered annuitant, the date on
24	which the individual becomes a Postal Service

Medicare covered annuitant or the date of enroll ment in a Program plan, whichever is later;

- "(B) in the case of such an individual who is eligible to enroll under section 1818 or 1818A of this Social Security Act, the date on which the individual attains such eligibility or the date of enrollment in a Program plan, whichever is later; and
- "(C) in the case of an individual described in paragraph (2)(A)(i)(III) of such section who is eligible to become a covered Medicare individual, as of the first date the individual becomes a covered Medicare individual or the date of enrollment in a Program plan, whichever is later.".
- (3) Part D EGWP Contracting conforming Amendment.—Section 1860D-22(b) of the Social Security Act (42 U.S.C. 1395w-132(b)) is amended by inserting before the period at the end the following: ", and shall be applied in a manner to facilitate the offering of prescription drug benefits under a Program plan under section 8903c of title 5, United States Code, through employment-based retiree health coverage through a prescription drug plan, as required under subsection (f) of such section, through contracts

1	between such a Program plan and such a prescription
2	drug plan''.
3	(4) Waiver of increase of medicare part b
4	PREMIUM.—Section 1839(b) of the Social Security
5	Act (42 U.S.C. $1395r(b)$ ) is amended by inserting
6	after "subsection (i)(4) or (l) of section 1837" the fol-
7	lowing: "or pursuant to the special enrollment period
8	under subsection $(o)(1)$ of such section".
9	SEC. 102. USPS FAIRNESS ACT.
10	(a) Short Title.—This section may be cited as the
11	"USPS Fairness Act".
12	(b) RATIONAL BENEFITS FUNDING AND ACCOUNT-
13	ING.—
14	(1) In General.—Section 8909a of title 5,
15	United States Code, is amended by striking subsection
16	(d) and inserting the following:
17	"(d)(1) Not later than June 30, 2024, and by June
18	30 of each succeeding year, the Office shall compute, for the
19	most recently concluded fiscal year, the difference between—
20	"(A) any Government contributions re-
21	quired to be paid from the Fund under section
22	$8906(g)(2)(A); \ and$
23	"(B) the net claims costs under the enroll-
24	ment of the individuals described in section
25	8906(g)(2)(A).

1	"(2) Not later than September 30 of each year in
2	which the Office makes a computation under para-
3	graph (1), the United States Postal Service shall pay
4	into the Fund the difference computed in such para-
5	graph.
6	"(e) Any computation of the liability of the Fund re-
7	quired by law shall be based on—
8	"(1) the net present value of the future net
9	claims costs with respect to—
10	"(A) current annuitants of the United
11	States Postal Service as of the end of the fiscal
12	year ending on September 30 of the relevant re-
13	porting year; and
14	"(B) current employees of the United States
15	Postal Service who would, as of September 30 of
16	that year,—
17	"(i) be eligible to become annuitants
18	pursuant to section 8901(3)(A); and
19	"(ii) if they were retired as of that
20	date, meet the criteria for coverage of annu-
21	$it ants \ under \ section \ 8905 (b);$
22	"(2) economic and actuarial methods and as-
23	sumptions consistent with the methods and assump-
24	tions used in determining the Postal surplus or sup-
25	plemental liability under section 8348(h): and

1	"(3) any other methods and assumptions, includ-
2	ing a health care cost trend rate, that the Director of
3	the Office determines to be appropriate.
4	"(f) After consultation with the United States Posta
5	Service, the Office shall promulgate any regulations the Of-
6	fice determines necessary under this subsection.
7	"(g) For purposes of this section, the term 'net claims
8	costs' shall mean the difference between—
9	"(1) the sum of—
10	"(A) the costs incurred by a carrier in pro-
11	viding health services to, paying for health serv-
12	ices provided to, or reimbursing expenses for
13	health services provided to, annuitants of the
14	United States Postal Service and any other per-
15	sons covered under the enrollment of such annu-
16	itants; and
17	"(B) an amount of indirect expenses reason-
18	ably allocable to the provision, payment, or re-
19	imbursement described in subparagraph (A), as
20	determined by the Office; and
21	"(2) the amount withheld from the annuity of or
22	paid by annuitants of the United States Postal Serv-
23	ice under section 8906"

1	(2) CLERICAL AMENDMENT.—The heading of sec-
2	tion 8909a of title 5, United States Code, is amended
3	by striking "Benefit" and inserting "Benefits".
4	(c) Application.—
5	(1) Cancellation of payments.—Any pay-
6	ment required from the Postal Service under section
7	8909a of title 5, United States Code, as in effect on
8	the day before the date of enactment of this Act that
9	remains unpaid as of such date of enactment is can-
10	celed.
11	(2) Effect of this act.—In any determina-
12	tion relating to the future liability for retiree health
13	benefits of the United States Postal Service or the
14	Postal Service Retiree Health Benefits Fund, the Of-
15	fice of Personnel Management shall take into account
16	the actual and reasonably expected effects of this Act.
17	(d) Use of Funds From Sale of Real Property
18	FOR CERTAIN PAYMENTS.—
19	(1) In general.—Chapter 29 of title 39, United
20	States Code, is amended by adding at the end the fol-
21	lowing:
22	"§ 2903. Use of funds from sale of property
23	"In the event that the Postal Service permanently
24	ceases operations, any funds derived from the sale of any
25	real property owned by the Postal Service shall be used to

- 1 pay any outstanding liability with respect to the salaries
- 2 and expenses of any Postal Service employee. The balance
- 3 of any remaining funds shall be deposited into the Postal
- 4 Service Retiree Health Benefits Fund established under sec-
- 5 tion 8909a of title 5.".
- 6 (2) CLERICAL AMENDMENT.—The table of sec-
- 7 tions of such chapter is amended by adding after the
- 8 item relating to section 2902 the following new item: "2903. Use of funds from sale of property.".

#### 9 SEC. 103. NONPOSTAL SERVICES.

- 10 (a) Nonpostal Services.—
- 11 (1) In General.—Part IV of title 39, United
- 12 States Code, is amended by adding after chapter 36
- 13 the following:

#### 14 "CHAPTER 37—NONPOSTAL SERVICES

## 15 **"§3701. Purpose**

- 16 "The purpose of this chapter is to enable the Postal
- 17 Service to increase its net revenues through specific non-
- 18 postal products and services that are expressly authorized
- 19 by this chapter. Postal Service revenues and expenses under
- 20 this chapter shall be funded through the Postal Service
- 21 *Fund*.

<sup>&</sup>quot;Sec.

<sup>&</sup>quot;3701. Purpose.

<sup>&</sup>quot;3702. Definitions.

<sup>&</sup>quot;3703. Postal Service program for State governments.

<sup>&</sup>quot;3704. Postal Service program for other Government agencies.

<sup>&</sup>quot;3705. Transparency and accountability for nonpostal services.

1	"§ 3702. Definitions
2	"In this chapter—
3	"(1) the term 'nonpostal services' is limited to
4	services offered by the Postal Service that are ex-
5	pressly authorized by this chapter and are not postal
6	products or services;
7	"(2) the term 'attributable costs' has the meaning
8	given such term in section 3631; and
9	"(3) the term 'year' means a fiscal year.
10	"§ 3703. Postal Service program for State governments
11	"(a) In General.—Notwithstanding any other provi-
12	sion of this title, the Postal Service may establish a pro-
13	gram to enter into agreements with an agency of any State
14	government, local government, or tribal government to pro-
15	vide property and services on behalf of such agencies for
16	non-commercial products and services, but only if such
17	property and services—
18	"(1) provide enhanced value to the public, such
19	as by lowering the cost or raising the quality of such
20	services or by making such services more accessible;
21	"(2) do not interfere with or detract from the
22	value of postal services, including—
23	"(A) the cost and efficiency of postal serv-
24	ices: and

1	"(B) unreasonably restricting access to post-
2	al retail service, such as customer waiting time
3	and access to parking; and
4	"(3) provide a reasonable contribution to the in-
5	stitutional costs of the Postal Service, defined as re-
6	imbursement that covers at least 100 percent of at-
7	tributable costs of all property and services provided
8	under each relevant agreement in each year.
9	"(b) Public Notice.—At least 90 days before offering
10	a service under the program, the Postal Service shall make
11	available to the public on its website—
12	"(1) the agreement with the agency regarding
13	such service; and
14	"(2) a business plan that describes the specific
15	service to be provided, the enhanced value to the pub-
16	lic, terms of reimbursement, the estimated annual re-
17	imbursement to the Postal Service, and the estimated
18	percentage of attributable Postal Service costs that
19	will be covered by reimbursement (with documenta-
20	tion to support the estimates).
21	"(c) Public Comment.—Before offering a service
22	under the program, the Postal Service shall provide for a
23	public comment period of at least 30 days that allows the
24	public to post comments relating to the provision of such
25	services on the Postal Service website. The Postal Service

- 1 shall make reasonable efforts to provide written responses
- 2 to the comments on such website at least 30 days before of-
- 3 fering such services.
- 4 "(d) Approval Required.—The Postal Service may
- 5 not establish the program under subsection (a) unless the
- 6 Governors of the Postal Service approve such program by
- 7 a recorded vote that is publicly disclosed on the Postal Serv-
- 8 ice website with a majority of the total Governors voting
- 9 for approval.
- 10 "(e) Application of Reporting Requirements.—
- 11 For purposes of the reporting requirements under section
- 12 3705, the Postal Service shall submit a separate report for
- 13 each agreement with an agency entered into under sub-
- 14 section (a) analyzing the costs, revenues, rates, and quality
- 15 of service for the provision of all services under such agree-
- 16 ment, including information demonstrating that the agree-
- 17 ment satisfies the requirements of paragraphs (1) through
- 18 (3) of subsection (a).
- 19 "(f) Regulations Required.—The Postal Regu-
- 20 latory Commission shall issue such regulations as are nec-
- 21 essary to carry out this section.
- 22 "(g) Definitions.—For the purpose of this section—
- 23 "(1) the term 'local government' means a county,
- 24 municipality, city, town, township, local public au-
- 25 thority, school district, special district, intrastate dis-

1	trict, council of governments, or regional or interstate
2	government entity;
3	"(2) the term 'State government' includes the
4	government of the District of Columbia, the Common-
5	wealth of Puerto Rico, the United States Virgin Is-
6	lands, Guam, American Samoa, the Commonwealth of
7	the Northern Mariana Islands, and any other terri-
8	tory or possession of the United States;
9	"(3) the term 'tribal government' means the gov-
10	ernment of an Indian tribe, as that term is defined
11	in section 4(e) of the Indian Self-Determination Act
12	$(25\ U.S.C.\ 450b(e));\ and$
13	"(4) the term 'United States', when used in a
14	geographical sense, means the States, the District of
15	Columbia, the Commonwealth of Puerto Rico, the
16	United States Virgin Islands, Guam, American
17	Samoa, the Commonwealth of the Northern Mariana
18	Islands, and any other territory or possession of the
19	United States.
20	"(h) Confidential Information.—Subsection (b) or
21	(c) shall not be construed as requiring the Postal Service
22	to disclose to the public any information—
23	"(1) described in section 410(c); or
24	"(2) exempt from public disclosure under section
25	552(b) of title 5.

1	"§ 3704. Postal Service program for other Government
2	agencies
3	"(a) In General.—The Postal Service may establish
4	a program to provide property and services to other Govern-
5	ment agencies within the meaning of section 411, but only
6	if such program provides a reasonable contribution to the
7	institutional costs of the Postal Service, defined as reim-
8	bursement by each agency that covers at least 100 percent
9	of the attributable costs of all property and service provided
10	by the Postal Service in each year to such agency.
11	"(b) Application of Reporting Requirements.—
12	For purposes of the reporting requirements under section
13	3705, the Postal Service shall submit a separate report for
14	each agreement with an agency entered into under sub-
15	section (a) analyzing the costs, revenues, rates, and quality
16	of service for the provision of all services under such agree-
17	ment, including information demonstrating that the agree-
18	ment satisfies the requirements of subsection (a).
19	"§ 3705. Transparency and accountability for non-
20	postal services
21	"(a) Annual Report to the Commission.—
22	"(1) In general.—Not later than 90 days after
23	the last day of each year, the Postal Service shall sub-
24	mit to the Postal Regulatory Commission a report
25	that analyzes costs, revenues, rates, and quality of
26	service for each agreement for the provision of prop-

1	erty and services under this chapter, using such meth-
2	odologies as the Commission may prescribe, and in
3	sufficient detail to demonstrate compliance with the
4	requirements of this chapter.
5	"(2) Supporting matter.—A report submitted
6	under paragraph (1) shall include any nonpublic
7	annex, the working papers, and any other supporting
8	matter of the Postal Service and the Inspector Gen-
9	eral related to the information submitted in such re-
10	port.
11	"(b) Content and Form of Report.—
12	"(1) In General.—The Postal Regulatory Com-
13	mission shall, by regulation, prescribe the content and
14	form of the report required under subsection (a). In
15	prescribing such regulations, the Commission shall
16	give due consideration to—
17	"(A) providing the public with timely, ade-
18	quate information to assess compliance;
19	"(B) avoiding unnecessary or unwarranted
20	administrative effort and expense on the part of
21	the Postal Service; and
22	"(C) protecting the confidentiality of infor-
23	mation that is commercially sensitive or is ex-
24	empt from public disclosure under section 552(b)
25	of title 5.

1	"(2) Revised requirements.—The Commis-
2	sion may, on its own motion or on request of any in-
3	terested party, initiate proceedings to improve the
4	quality, accuracy, or completeness of Postal Service
5	data required by the Commission if—
6	"(A) the attribution of costs or revenues to
7	property or services under this chapter has be-
8	come significantly inaccurate or can be signifi-
9	cantly improved;
10	"(B) the quality of service data provided to
11	the Commission for a report under this chapter
12	has become significantly inaccurate or can be
13	significantly improved; or
14	"(C) such revisions are, in the judgment of
15	the Commission, otherwise necessitated by the
16	public interest.
17	"(c) Audits.—The Inspector General shall regularly
18	audit the data collection systems and procedures used in
19	collecting information and preparing the report required
20	under subsection (a). The results of any such audit shall
21	be submitted to the Postal Service and the Postal Regu-
22	latory Commission.
23	"(d) Confidential Information.—
24	"(1) In General.—If the Postal Service deter-
25	mines that any document or portion of a document,

1 or other matter, which it provides to the Postal Requ-2 latory Commission in a nonpublic annex under this 3 section contains information described in section 4 410(c), or exempt from public disclosure under section 5 552(b) of title 5, the Postal Service shall, at the time 6 of providing such matter to the Commission, notify 7 the Commission of its determination, in writing, and 8 describe with particularity the documents (or portions 9 of documents) or other matter for which confiden-10 tiality 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 subject to paragraphs (2) and (3) of section 504(g) in the same way as if the Commission had received notification with respect to such matter under section 504(g)(1).

### "(e) Annual Compliance Determination.—

"(1) Opportunity for public comment.—
Upon receiving a report required under subsection
(a), the Postal Regulatory Commission shall promptly—

23 "(A) provide an opportunity for comment 24 on such report by any interested party; and

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1 "(B) appoint an officer of the Commission 2 to represent the interests of the general public.

> "(2) Determination of compliance or non-COMPLIANCE.—Not later than 90 days after receiving a report required under subsection (a), the Postal Regulatory Commission shall make a written determination as to whether the nonpostal activities carried out during the applicable year were or were not in compliance with the provisions of this chapter. For purposes of this paragraph, any case in which the requirements for coverage of attributable costs have not been met shall be considered to be a case of noncompliance. If, with respect to a year, no instance of noncompliance is found to have occurred, the determination shall be to that effect. Such determination of noncompliance shall be included with the annual compliance determination required under section 3653.

"(3) Noncompliance is made under paratermination of noncompliance is made under paragraph (2), the Postal Regulatory Commission shall take appropriate action. If the requirements for coverage of attributable costs specified by this chapter are not met, the Commission shall, within 60 days after the determination, prescribe remedial action to restore

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1	compliance as soon as practicable, including the full
2	restoration of revenue shortfalls during the following
3	year. The Commission may order the Postal Service
4	to discontinue a nonpostal service under section 3703
5	that persistently fails to meet cost coverage require-
6	ments.
7	"(4) Deliberate noncompliance.—In the case
8	of deliberate noncompliance by the Postal Service
9	with the requirements of this chapter, the Postal Reg-
10	ulatory Commission may order, based on the nature,
11	circumstances, extent, and seriousness of the non-
12	compliance, a fine (in the amount specified by the
13	Commission in its order) for each incidence of such
14	noncompliance. All receipts from fines imposed under
15	this subsection shall be deposited in the general fund
16	of the Treasury.
17	"(f) REGULATIONS REQUIRED.—The Postal Regu-
18	latory Commission shall issue such regulations as are nec-
19	essary to carry out this section.".
20	(2) Clerical amendment.—The table of chap-
21	ters for part IV of title 39, United States Code, is
22	amended by adding after the item relating to chapter
23	36 the following:
	"37. Nonpostal services
24	(b) Conforming Amendments —

1	(1) Section 404.—Section 404(e) of title 39,
2	United States Code, is amended—
3	(A) in paragraph (2), by inserting after
4	"subsection" the following: ", or any nonpostal
5	products or services authorized by chapter 37";
6	and
7	(B) by adding at the end the following:
8	"(6) Licensing which, before the date of enactment of
9	this paragraph, has been authorized by the Postal Regu-
10	latory Commission for continuation as a nonpostal service
11	may not be used for any purpose other than—
12	"(A) to continue to provide licensed mailing,
13	shipping, or stationery supplies offered as of June 23,
14	2011; or
15	"(B) to license other goods, products, or services,
16	the primary purpose of which is to promote and en-
17	hance the image or brand of the Postal Service.
18	"(7) Nothing in this section shall be construed to pre-
19	$vent\ the\ Postal\ Service\ from\ establishing\ nonpostal\ products$
20	and services that are expressly authorized by chapter 37.".
21	(2) Section 411.—The last sentence of section
22	411 of title 39, United States Code, is amended by
23	striking "including reimbursability" and inserting
24	"including reimbursability within the limitations of
25	chapter 37".

1	(3) Treatment of existing nonpostal serv-
2	ICES.—All individual nonpostal services, provided di-
3	rectly or through licensing, that are continued pursu-
4	ant to section 404(e) of title 39, United States Code,
5	shall be considered to be expressly authorized by chap-
6	ter 37 of such title (as added by subsection (a)(1))
7	and shall be subject to the requirements of such chap-
8	ter.
9	(4) Repeal of Certain Limitations on ex-
10	PERIMENTAL PRODUCTS.—Section 3641 of title 39,
11	United States Code, is amended—
12	(A) by striking subsections (b), (d), and (e);
13	and
14	(B) by redesignating—
15	(i) subsection (c) as subsection (b); and
16	(ii) subsections (f), (g), (h), and (i) as
17	subsections (c), (d), (e), and (f), respectively.
18	TITLE II—POSTAL SERVICE
19	OPERATIONAL REFORMS
20	SEC. 201. PERFORMANCE TARGETS AND TRANSPARENCY.
21	(a) In General.—Subchapter VII of chapter 36 of
22	title 39, United States Code, is amended by inserting after
23	section 3691 the following:

### 1 "§ 3692. Performance targets and transparency

2	"(a) Performance Targets.—Each year, to ensure
3	that mail service for postal customers meets the service
4	standards for market-dominant products, established under
5	section 3691, the Postal Service shall—
6	"(1) at least 60 days before the beginning of the
7	fiscal year in which they will apply, establish and
8	provide to the Postal Regulatory Commission reason-
9	able targets for performance; and
10	"(2) provide the previous fiscal years' perform-
11	ance targets in its Annual Compliance Report to the
12	Postal Regulatory Commission for evaluation of com-
13	pliance.
14	"(b) Public Performance Dashboard.—
15	"(1) In general.—The Postal Service shall de-
16	velop and maintain a publicly available Website with
17	an interactive web-tool that provides performance in-
18	formation for market-dominant products that is up-
19	dated on a weekly basis.
20	"(2) Performance information.—The per-
21	formance information provided on the Website shall
22	include—
23	"(A) the type of market-dominant product;
24	"(B) geographic area at the nationwide,
25	Area, and District level;

1	"(C) time periods showing performance in-
2	formation in annual, quarterly, monthly, and
3	weekly segments;
4	"(D) comparisons of performance informa-
5	tion for market-dominant products for previous
6	time periods to facilitate identification of per-
7	formance trends; and
8	"(E) the current performance targets and
9	previous fiscal year performance targets, estab-
10	lished under subsection $(a)(1)$ .
11	"(3) Comprehensibility.—The Website shall
12	include plain language descriptions of the elements
13	required under paragraph (2) and information on the
14	collection process, measurement methodology, com-
15	pleteness, accuracy, and validity of the performance
16	information provided on the Website.
17	"(4) Address search functionality.—The
18	Website shall include functionality to enable a user to
19	search for performance information by street address,
20	ZIP Code, or post office box.
21	"(5) FORMAT.—The performance information
22	provided on the Website shall be made available—
23	"(A) in a manner that—

1	"(i) presents the information referenced
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 the
12	elements described in paragraph (2);
13	"(B) in an open format that permits any
14	individual or entity to reuse and analyze the
15	performance information; and
16	"(C) in a structured data format, to the ex-
17	tent practicable.
18	"(6) Consultation.—The Postal Service shall
19	regularly consult with the Postal Regulatory Commis-
20	sion on appropriate features and information to be
21	included on the Website.
22	"(7) Public input.—The Postal Service shall—
23	"(A) solicit public input on the design and
24	implementation of the Website; and

1	"(B) maintain a public feedback tool, to en-
2	sure features of, and information on, the Website
3	is usable and understandable.
4	"(8) Deadline.—The Website shall be imple-
5	mented and made available to the public not later
6	than the date on which the performance targets are
7	provided to the Postal Regulatory Commission under
8	subsection (a)(1).
9	"(9) AVAILABILITY.—A link and plain language
10	description of the Website shall be made available on
11	the website where the performance targets and meas-
12	urements established under subsection (a)(1) are made
13	available.
14	"(10) Reporting.—The dashboard referred to in
15	paragraph (5)(A)(i) shall be referenced in the Annual
16	Performance Plan under section 2803, the Annual
17	Performance Report under section 2804, and the An-
18	nual Report under section 2402.
19	"(11) Definitions.—In this subsection—
20	"(A) Performance information.—The
21	term 'performance information' means the objec-
22	tive external performance measurements estab-
23	lished under section $3691(b)(1)(D)$ .
24	"(B) Website.—The term 'Website' means
25	the website described in paragraph (1).".

- 1 (b) Clerical Amendment.—The table of sections for
- 2 such subchapter is amended by inserting after the item re-
- 3 lating to section 3691 the following:

"3692. Performance targets and transparency.".

### 4 SEC. 202. INTEGRATED DELIVERY NETWORK.

- 5 Section 101(b) of title 39, United States Code, is
- 6 amended by inserting before "The Postal Service" the fol-
- 7 lowing: "The Postal Service shall maintain an integrated
- 8 network for the delivery of market-dominant and competi-
- 9 tive products (as defined in chapter 36 of this title). Deliv-
- 10 ery shall occur at least six days a week, except during weeks
- 11 that include a Federal holiday or in emergency situations,
- 12 such as natural disasters.".

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

- 14 GUIDELINES.
- Not later than the date that is one year after the date
- 16 of the enactment of this Act, the Postal Regulatory Commis-
- 17 sion shall initiate a review of the regulations issued pursu-
- 18 ant to sections 3633(a) and 3652(a)(1) of title 39, United
- 19 States Code, to determine whether revisions are appropriate
- 20 to ensure that all direct and indirect costs attributable to
- 21 competitive and market-dominant products are properly at-
- 22 tributed to those products, including by considering the un-
- 23 derlying methodologies in determining cost attribution and
- 24 considering options to revise such methodologies. If the
- 25 Commission determines, after notice and opportunity for

- 1 public comment, that revisions are appropriate, the Com-
- 2 mission shall make modifications or adopt alternative
- 3 methodologies as necessary.
- 4 SEC. 204. RURAL NEWSPAPER SUSTAINABILITY.
- 5 Section 3626(h) of title 39, United States Code, is
- 6 amended by striking "10 percent" and inserting "50 per-
- 7 *cent*".
- 8 SEC. 205. FUNDING OF POSTAL REGULATORY COMMISSION.
- 9 (a) In General.—Subsection (d) of section 504 of title
- 10 39, United States Code, is amended to read as follows:
- 11 "(d)(1) Not later than September 1 of each fiscal year
- 12 (beginning with fiscal year 2022), the Postal Regulatory
- 13 Commission shall submit to the Postal Service a budget of
- 14 the Commission's expenses, including expenses for facilities,
- 15 supplies, compensation, and employee benefits, for the fol-
- 16 lowing fiscal year. Any such budget shall be deemed ap-
- 17 proved as submitted if the Governors fail to adjust the budg-
- 18 et in accordance with paragraph (2).
- 19 "(2)(A) Not later than 30 days after receiving a budget
- 20 under paragraph (1), the Governors holding office, by unan-
- 21 imous written decision, may adjust the total amount of
- 22 funding requested in such budget. Nothing in this subpara-
- 23 graph may be construed to authorize the Governors to adjust
- 24 any activity proposed to be funded by the budget.

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

### 1 SEC. 206. FLATS OPERATIONS STUDY AND REFORM.

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

1	Postmaster General a report on the findings of the
2	study conducted under paragraph (1).
3	(4) Flats defined.—In this subsection, the
4	term "Flats" means products that meet the physical
5	standards described in the Domestic Mail Manual (as
6	in effect on the date of the enactment of this Act) for
7	Flats mail for any class of mail.
8	(b) Flats Operations Reform.—
9	(1) In general.—Not later than six months
10	after the date on which the Postal Regulatory Com-
11	mission submits the report described in subsection
12	(a)(3), the Postal Service shall—
13	(A) develop and implement a plan to rem-
14	edy each inefficiency identified in the study con-
15	ducted under subsection (a)(1) to the extent prac-
16	ticable; and
17	(B) if the Postal Service determines that
18	remedying any such inefficiency is not prac-
19	ticable, provide to Congress and the Postal Regu-
20	latory Commission an explanation why rem-
21	edying such inefficiency is not practicable, in-
22	cluding whether it may become practicable to
23	remedy such inefficiency at a later time.
24	(2) Implementation requirements.—Prior to
25	implementing the plan described in paragraph (1)—

1	(A) the Postal Regulatory Commission must
2	approve the plan; and
3	(B) the Postal Service shall provide an ade-
4	quate opportunity for public comment on the
5	plan.
6	(3) Completion notice.—On the date on which
7	the plan described in paragraph (1) is fully imple-
8	mented, as determined by the Postmaster General, the
9	Postmaster General shall submit to Congress and the
10	Postal Regulatory Commission a written notice of
11	such implementation.
12	(c) Subsequent Rate Adjustments.—During the
13	five-year period beginning on the date on which the Post-
14	master General submits the notice under subsection (b)(3),
15	the Postal Service shall consider the findings of the report
16	described in subsection (a)(3) and the efficacy of the plan
17	described in subsection (b)(1) in remedying the inefficien-
18	cies identified in the study conducted under subsection
19	(a)(1) when making any adjustment to the rate of a market-
20	dominant product (as defined in section 102 of title 39,
21	United States Code).
22	SEC. 207. REPORTING REQUIREMENTS.
23	(a) In General.—Not later than six months after the
24	date of the enactment of this Act, and every six months
25	thereafter, the Postmaster General shall submit to the Presi-

- 1 dent, the Postal Regulatory Commission, the Committee on
- 2 Homeland Security and Governmental Affairs of the Sen-
- 3 ate, and the Committee on Oversight and Reform of the
- 4 House of Representatives a report on the operations and
- 5 financial condition of the Postal Service during the six-
- 6 month period ending on the date on which the Postmaster
- 7 General submits such report.
- 8 (b) Contents.—Each report submitted under this sec-
- 9 tion shall include updates, details of changes from previous
- 10 standards and requirements, and assessments of progress
- 11 being made on the operations and financial condition of
- 12 the Postal Service, including—
- 13 (1) the actual mail and package volume growth
- 14 relative to any mail or package volume growth projec-
- tions previously made or relied upon by the Postal
- 16 Service, including a discussion of the reasons for the
- differences in projections and the associated adjust-
- ments being made in order to accommodate any such
- 19 differences;
- 20 (2) the effect of pricing changes on product vol-
- 21 ume for market-dominant and competitive products,
- and associated revenue effects on financial projec-
- 23 tions, including a discussion of the reasons behind the
- 24 differences in projections and associated adjustments
- 25 being made;

- (3) customer use of network distribution centers
   and processing and distribution centers, and associated costs and revenue effects;
  - (4) the status of, and any substantial programmatic changes to, the USPS Connect program relative to previous plans by the Postal Service, including online sales and customer expectations regarding shipping speeds and shopping preferences relative to projections, as well as associated implementation costs and revenue effects on the financial projects;
  - (5) the use of Priority Mail, Priority Mail Express, First-Class Package Service, and Parcel Select services (as such terms are defined in the Domestic Mail Classification Schedule as in effect on the date of the enactment of this Act) among businesses of various sizes, and associated revenue effects;
  - (6) the use of USPS Connect Returns service among customers, and associated implementation costs and revenue effects;
  - (7) the use of USPS E-Commerce Marketplace among customers, and associated implementation costs and revenue effects;
  - (8) updates on the reliability, efficiency, and cost-effectiveness of the transportation network, including the manner in which ground transportation

1	is utilized over air transportation for types of prod-
2	ucts;
3	(9) a review of efforts to enhance employee train-
4	ing, safety, and wellbeing, including associated effects
5	on employee recruitment, satisfaction, and retention;
6	(10) a review of efforts being made to improve
7	employee allocation, including changes of non-career
8	employees to career status, and any associated im-
9	pacts to operational expenses and processing, trans-
10	portation, and delivery efficiency;
11	(11) the rate of planned investment into Postal
12	Service processing, transportation, and delivery
13	equipment and infrastructure for market-dominant
14	and competitive products, and a review of any associ-
15	ated effects on operational expenses and efficiency;
16	(12) changes to network distribution centers and
17	the expansion of regional distribution centers, includ-
18	ing costs associated with the changes and any realized
19	reduction in operational expenses or improved re-
20	source efficiencies;
21	(13) a review of the ability of the Postal Service
22	to meet performance targets established under section
23	3692(a)(1)(A) of title 39, United States Code;
24	(14) a discussion of the progress of the Postal
25	Service in achieving any new, self-funded invest-

- ments, 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; 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 writing of its determination and describe in detail the information for

1	which confidentiality is sought and the reasons there-
2	for.
3	(3) Annexes.—The Postal Service shall submit
4	to the persons and entities notified under paragraph
5	(2) any information excluded under paragraph (1) in
6	an annex that shall be treated as confidential in ac-
7	cordance with paragraph (4).
8	(4) Treatment.—No person may, with respect
9	to any information which such person receives under
10	paragraph (4)—
11	(A) use such information for purposes other
12	than the purposes for which it is supplied; or
13	(B) permit any person or entity other than
14	a person or entity notified under paragraph (2),
15	or the staff thereof, to have access to any such in-
16	formation.
17	(d) Termination.—This subsection shall terminate on
18	the date that is five years after the date on which the first
19	report required by this section is submitted.
20	SEC. 208. POSTAL SERVICE TRANSPORTATION SELECTION
21	POLICY REVISIONS.
22	Section 101(f) of title 39, United States Code, is
23	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 General
13	Act of 1978 (5 U.S.C. App.) is amended—
14	(1) in subsection (a)(2), by striking "the Postal
15	Regulatory Commission,"; and
16	(2) in subsection $(f)(2)$ —
17	(A) by striking "(2) In carrying" and in-
18	serting "(2)(A) In carrying"; and
19	(B) by adding at the end the following:
20	"(B) In carrying out the duties and responsibil-
21	ities specified in this Act, the Inspector General of the
22	United States Postal Service shall function as the In-
23	spector General for the Postal Regulatory Commis-
24	sion, and shall have equal responsibility over the
25	United States Postal Service and the Postal Regu-

latory Commission. The Commission shall comply with the Inspector General's oversight as if the Commission were a designated Federal entity under paragraph (a)(2) of this section.".

### (b) SAVINGS PROVISION.—

- (1) 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 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.
- (2) PROCEEDINGS.—This section and the amendments made by this section shall not affect any proceeding pending on the effective date of this section before an office transferred by either such subsection, but such proceeding shall be continued. Nothing in this paragraph shall be considered to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section or such amendments had not been enacted.

- 1 (3) SUITS.—This section and the amendments
  2 made by this section shall not affect any suit com3 menced before the effective date of this section, and in
  4 any such suit, proceeding shall be had, appeals taken,
  5 and judgments rendered in the same manner and
  6 with the same effect as if this section or such amend7 ments had not been enacted.
- 8 (4) References.—Any reference in any other 9 Federal law, Executive order, rule, regulation, or dele-10 gation of authority, or any document relating to the 11 Inspector General of the Postal Regulatory Commis-12 sion shall be deemed to refer to the Inspector General 13 of the United States Postal Service.
- 14 (c) Technical and Conforming Amendment.—Sec-15 tion 504 of title 39, United States Code, is amended by 16 striking subsection (h).
- 17 (d) Effective Date.—This section and the amend-18 ments made by this section shall take effect on the date that 19 is 180 days after the date of enactment of this Act.

# Union Calendar No. 171

117TH CONGRESS H. R. 3076

[Report No. 117-89, Parts I and II]

### BILL

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

## February 1, 2022

Committees on Energy and Commerce and Ways and Means discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed