

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. _____
(POSTAL SERVICE REFORM ACT OF 2021)
OFFERED BY MRS. CAROLYN B. MALONEY OF
NEW YORK

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Postal Service Reform Act of 2021”.

4 (b) TABLE OF CONTENTS.—The table of contents of
5 this 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.

1 **TITLE I—POSTAL SERVICE**
2 **FINANCIAL REFORMS**

3 **SEC. 101. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

4 (a) ESTABLISHMENT.—

5 (1) IN GENERAL.—Chapter 89 of title 5, United
6 States Code, is amended by inserting after section
7 8903b the following:

8 **“§ 8903c. Postal service health benefits program**

9 “(a) DEFINITIONS.—In this section—

10 “(1) the term ‘covered Medicare individual’
11 means an individual who is entitled to benefits under
12 Medicare part A, but excluding an individual who is
13 eligible to enroll under such part under section 1818
14 or 1818A of the Social Security Act (42 U.S.C.
15 1395i–2, 1395i–2a);

16 “(2) the term ‘initial contract year’ means the
17 contract year beginning in January of 2023;

18 “(3) the term ‘initial participating carrier’
19 means a carrier that enters into a contract with the
20 Office to participate in the Postal Service Health
21 Benefits Program during the initial contract year;

22 “(4) the term ‘Medicare part A’ means part A
23 of title XVIII of the Social Security Act (42 U.S.C.
24 1395c et seq.);

1 “(5) the term ‘Medicare part B’ means part B
2 of title XVIII of the Social Security Act (42 U.S.C.
3 1395j et seq.);

4 “(6) the term ‘Office’ means the Office of Per-
5 sonnel Management;

6 “(7) the term ‘Postal Service’ means the United
7 States Postal Service;

8 “(8) the term ‘Postal Service annuitant’ means
9 an annuitant enrolled in a health benefits plan under
10 this chapter whose Government contribution is paid
11 pursuant to the requirements of section 8906(g)(2);

12 “(9) the term ‘Postal Service employee’ means
13 an employee of the Postal Service enrolled in a
14 health benefits plan under this chapter whose Gov-
15 ernment contribution is paid by the Postal Service;

16 “(10) the term ‘Postal Service Medicare covered
17 annuitant’ means an individual who—

18 “(A) is a Postal Service annuitant; and

19 “(B) is a covered Medicare individual;

20 “(11) the term ‘Program’ means the Postal
21 Service Health Benefits Program established under
22 subsection (c) within the Federal Employees Health
23 Benefit Program;

24 “(12) the term ‘Program plan’ means a health
25 benefits plan offered under the Program; and

1 “(13) the terms set forth in section 8901 shall
2 apply.

3 “(b) APPLICATION.—The requirements under this
4 section shall—

5 “(1) apply to the initial contract year and each
6 contract year thereafter; and

7 “(2) supersede any other provision of this chap-
8 ter inconsistent with such requirements, as deter-
9 mined by the Office of Personnel Management.

10 “(c) ESTABLISHMENT OF THE POSTAL SERVICE
11 HEALTH BENEFITS PROGRAM.—

12 “(1) IN GENERAL.—The Office shall establish
13 the Postal Service Health Benefits Program under
14 which the Office contracts with carriers to offer
15 health benefits plans as described under this section.
16 Except as otherwise provided in this section, any
17 such contract shall be consistent with the require-
18 ments of this chapter for contracts under section
19 8902 with carriers to offer health benefits plans
20 other than under this section. The Program shall—

21 “(A) to the greatest extent practicable, in-
22 clude plans offered by—

23 “(i) each carrier for which the total
24 enrollment in the plans provided under this
25 chapter includes, in the contract year be-

1 ginning in January 2022, 1,500 or more
2 enrollees who are Postal Service employees
3 or Postal Service annuitants; and

4 “(ii) any other carrier determined ap-
5 propriate by the Office;

6 “(B) be available for participation by Post-
7 al Service employees and Postal Service annu-
8 itants, in accordance with subsection (d);

9 “(C) provide for enrollment in a plan as an
10 individual, for self plus one, or for self and fam-
11 ily; and

12 “(D) not be available for participation by
13 an individual who is not a Postal Service em-
14 ployee or Postal Service annuitant (except as a
15 member of family of such an employee or annu-
16 itant or as provided under paragraph (5)).

17 “(2) SEPARATE POSTAL SERVICE RISK POOL.—

18 The Office shall ensure that each Program plan in-
19 cludes rates that reasonably and equitably reflect the
20 cost of benefits provided to a risk pool consisting
21 solely of Postal Service employees, Postal Service an-
22 nuitants, and covered members of family of such em-
23 ployees and annuitants (regardless of the health
24 plan, coverage, or benefit program in which such an
25 employee, annuitant, or member of family is en-

1 rolled), taking into specific account the change in
2 benefits cost for the Program plan due to the Medi-
3 care enrollment requirements under subsection (e)
4 and any savings or subsidies resulting from sub-
5 section (f).

6 “(3) ACTUARIALLY EQUIVALENT COVERAGE.—
7 The Office shall ensure that each carrier partici-
8 pating in the Postal Service Health Benefits Pro-
9 gram provides coverage under the Program plans of-
10 fered by the carrier that is actuarially equivalent, as
11 determined by the Office, to the coverage that the
12 carrier provides under the health benefits plans of-
13 fered by the carrier under this chapter that are not
14 Program plans.

15 “(4) APPLICABILITY OF FEDERAL EMPLOYEES
16 HEALTH BENEFITS PROGRAM REQUIREMENTS.—Ex-
17 cept as otherwise set forth in this section, all provi-
18 sions of this chapter applicable to health benefits
19 plans offered by carriers under section 8903 or
20 8903a shall apply to plans offered under the Pro-
21 gram.

22 “(5) APPLICATION OF CONTINUATION COV-
23 ERAGE.—In accordance with rules established by the
24 Office, section 8905a shall apply to health benefits
25 plans offered under this section in the same manner

1 as such section applies to other health benefits plans
2 offered under this chapter.

3 “(d) ELECTION OF COVERAGE.—

4 “(1) IN GENERAL.—Except as provided in para-
5 graph (2), each Postal Service employee and Postal
6 Service annuitant who elects to receive health bene-
7 fits coverage under this chapter—

8 “(A) shall be subject to the requirements
9 of this section; and

10 “(B) may not enroll in any other health
11 benefits plan offered under any other section of
12 this chapter.

13 “(2) EXCEPTIONS.—

14 “(A) LACK OF GEOGRAPHIC COVERAGE.—
15 An individual who is a Postal Service employee
16 or Postal Service annuitant may enroll in a
17 health benefits plan offered under any other
18 section of this chapter if the individual resides
19 in a geographic area for which there is not a
20 Program plan in which the individual may en-
21 roll.

22 “(B) ANNUITANTS AS OF PROGRAM INCEP-
23 TION.—

24 “(i) CURRENT MEDICARE COVERED
25 ANNUITANTS.—

1 “(I) IN GENERAL.—Subject to
2 subclause (II), in the case of an indi-
3 vidual who, as of January 1, 2023, is
4 a Postal Service Medicare covered an-
5 nuitant who has not enrolled in both
6 Medicare part A and Medicare part B,
7 such individual may enroll in a health
8 benefits plan offered under any other
9 section of this chapter, and may not
10 enroll in a Program plan.

11 “(II) PROGRAM PLAN ENROLL-
12 MENT FOLLOWING MEDICARE PARTS A
13 AND B ENROLLMENT.—In the case of
14 an individual described in subclause
15 (I) who subsequent to January 1,
16 2023, is enrolled in both Medicare
17 part A and Medicare part B, begin-
18 ning with the first contract year be-
19 ginning after the date such individual
20 is enrolled in both Medicare part A
21 and Medicare part B, subclause (I)
22 shall no longer apply to such indi-
23 vidual and such individual may receive
24 health benefits under this chapter
25 only through a Program plan.

1 “(ii) PRE-MEDICARE ANNUITANTS.—

2 “(I) IN GENERAL.—Subject to
3 subclause (II), an individual who, as
4 of January 1, 2023, is a Postal Serv-
5 ice annuitant and is not a Postal
6 Service Medicare annuitant (for a rea-
7 son other than eligibility to enroll in
8 Medicare part A under section 1818
9 or 1818A of the Social Security Act)
10 may enroll in either a Program plan
11 or in a health benefits plan offered
12 under any other section of this chap-
13 ter.

14 “(II) EXCEPTION.—In the case
15 of 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
20 covered annuitant, beginning with
21 such contract year, subclause (I) shall
22 no longer apply to the individual and
23 the individual may receive health ben-
24 efits under this chapter only through
25 enrollment in a Program plan.

1 “(C) CERTAIN EMPLOYEES AS OF PRO-
2 GRAM INCEPTION.—

3 “(i) LEGACY COVERAGE.—A Postal
4 Service employee who is enrolled in a
5 health benefits plan under this chapter for
6 the contract year immediately preceding
7 the initial contract year that is not a
8 health benefits plan offered by an initial
9 participating carrier may enroll in either a
10 Program plan or in a health benefits plan
11 offered under any other section of this
12 chapter, except that—

13 “(I) if the Postal Service em-
14 ployee changes enrollment to a dif-
15 ferent health benefits plan under this
16 chapter during the open season for
17 the initial contract year, or after the
18 start of the initial contract year, the
19 Postal Service employee may only en-
20 roll in a Program plan;

21 “(II) if the health benefits plan
22 in which such employee is enrolled for
23 such contract year becomes available
24 as a Program plan, the Postal Service

1 employee may only enroll in a Pro-
2 gram plan; and

3 “(III) upon becoming a Postal
4 Service annuitant, if the Postal Serv-
5 ice employee elects to continue cov-
6 erage under this chapter, the Postal
7 Service employee shall enroll in a Pro-
8 gram plan during the open season
9 that is—

10 “(aa) being held when the
11 Postal Service employee becomes
12 a Postal Service annuitant; or

13 “(bb) if the date on which
14 the Postal Service employee be-
15 comes a Postal Service annuitant
16 falls outside of an open season,
17 the first open season following
18 that date.

19 “(ii) CURRENT EMPLOYEES AGED 64
20 AND OVER.—

21 “(I) IN GENERAL.—Subject to
22 subclause (II), an individual who, as
23 of January 1, 2023, is a Postal Serv-
24 ice employee and is at least 64 years
25 of age may enroll in either a Program

1 plan or in a health benefits plan of-
2 ferred under any other section of this
3 chapter.

4 “(II) EXCEPTION.—In the case
5 of an individual described in subclause
6 (I) who enrolls in a Program plan for
7 any contract year beginning on or
8 after the date on which the individual
9 becomes a Postal Service Medicare
10 covered annuitant, beginning with
11 such contract year, subclause (I) shall
12 no longer apply to the individual and
13 the individual may receive health ben-
14 efits under this chapter only through
15 enrollment in a Program plan.

16 “(D) CERTAIN OTHER ANNUITANTS.—

17 “(i) ANNUITANTS AND FAMILY MEM-
18 BERS EXCLUDED FROM PREMIUM-FREE
19 MEDICARE PART A.—

20 “(I) IN GENERAL.—Subject to
21 subclause (II), a Postal Service annu-
22 itant who is eligible to enroll in Medi-
23 care Part A under section 1818 or
24 1818A of the Social Security Act may
25 enroll in either a Program plan or in

1 a health benefits plan offered under
2 any other section of this chapter if the
3 annuitant—

4 “(aa) is eligible to enroll in
5 Medicare part A under section
6 1818 or 1818A of the Social Se-
7 curity Act; or

8 “(bb) includes in the annu-
9 itant’s plan enrollment one or
10 more family members who are el-
11 igible to enroll in Medicare part
12 A under section 1818 or 1818A
13 of such Act.

14 “(II) EXCEPTION.—In the case
15 of an annuitant 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 annuitant
19 or any member of family covered by
20 the enrollment becomes eligible to en-
21 roll in Medicare part A, beginning
22 with such contract year, subclause (I)
23 shall no longer apply to the annuitant
24 and the annuitant may receive health
25 benefits under this chapter only

1 through enrollment in a Program
2 plan.

3 “(ii) LIMITED OR REDUNDANT COV-
4 ERAGE.—An individual who is a Postal
5 Service annuitant may enroll either in a
6 Program plan (subject to subsection (e) of
7 this section and to sections 226(j) and
8 1837(o)(2) of the Social Security Act) or
9 in a health benefits plan offered under any
10 other section of this chapter for any con-
11 tract year in which the annuitant or mem-
12 ber of family covered by the enrollment, re-
13 spectively, is a covered Medicare individual
14 and—

15 “(I) the annuitant or family
16 member, respectively, resides in an
17 area where the Office has determined
18 that no Medicare providers are avail-
19 able;

20 “(II) the annuitant receives com-
21 prehensive medical coverage provided
22 by the Department of Veterans Af-
23 fairs under subchapter II of chapter
24 17 of title 38, United States Code; or

1 “(III) the annuitant receives
2 comprehensive medical coverage pro-
3 vided by the Indian Health Service
4 under the Indian Health Care Im-
5 provement Act (25 U.S.C. 1601 et
6 seq.).

7 “(iii) REGULATIONS.—Not later than
8 90 days after the date of enactment of this
9 section, the Office shall, in consultation
10 with the Secretary of Health and Human
11 Services, the Secretary of Veterans Affairs,
12 and the Postmaster General, promulgate
13 any regulations necessary to implement
14 this subparagraph.

15 “(e) REQUIREMENT OF MEDICARE ENROLLMENT
16 FOR CERTAIN ANNUITANTS AND THEIR FAMILY MEM-
17 BERS.—

18 “(1) ANNUITANTS.—Except as provided under
19 subsection (d)(2), a Postal Service Medicare covered
20 annuitant may not enroll under a Program plan un-
21 less the annuitant is enrolled in both Medicare part
22 A and Medicare part B.

23 “(2) MEDICARE COVERED FAMILY MEMBERS.—
24 In the case of a Postal Service annuitant who is re-
25 quired under this subsection to enroll in Medicare

1 part A and Medicare part B to enroll under the Pro-
2 gram, if a member of family of such Postal Service
3 annuitant is a covered Medicare individual or is eli-
4 gible to enroll in Medicare Part A under section
5 1818 or 1818A of the Social Security Act, that
6 member of family may not enroll under the Program
7 as a member of family of the Postal Service annu-
8 itant unless that member of family is enrolled in
9 both Medicare part A and Medicare part B.

10 “(3) PROCESS FOR COORDINATED ELECTION OF
11 MEDICARE ENROLLMENT.—The Office shall estab-
12 lish a process under which—

13 “(A) Postal Service annuitants and mem-
14 bers of family who are subject to the require-
15 ments of paragraph (1) or (2)—

16 “(i) are informed, prior to enrollment
17 under this section, of such requirement;
18 and

19 “(ii) receive requests for any addi-
20 tional information necessary for enrollment
21 in writing; and

22 “(B) the Office provides the Secretary of
23 Health and Human Services and the Commis-
24 sioner of Social Security in a timely manner
25 with such information with respect to such an-

1 nuitants and members of family and such elec-
2 tion as may be required to effect their enroll-
3 ment and coverage under Medicare part A and
4 Medicare part B and this section in a timely
5 manner, including to effect deemed enrollments,
6 if applicable under sections 226(j) and 1837(o)
7 of the Social Security Act, for such continuous
8 period as such annuitant or member of family
9 involved otherwise maintains eligibility for en-
10 rollment under Medicare part A and Medicare
11 part B, to have elected to be enrolled under
12 such part (in accordance with such sections) in
13 connection with the enrollment in a Program
14 plan under this section.

15 “(f) MEDICARE COORDINATION.—

16 “(1) IN GENERAL.—The Office shall require
17 each Program plan to provide benefits for covered
18 Medicare individuals (and individuals eligible to en-
19 roll in Medicare part A pursuant to section 1818 or
20 1818A of the Social Security Act) pursuant to the
21 same coordination of benefits method used in con-
22 nection with plans offered under any other section of
23 this chapter.

24 “(2) MEDICARE PART D PRESCRIPTION DRUG
25 BENEFITS.—The Office shall require each Program

1 plan to provide prescription drug benefits to any
2 Postal Service annuitant and member of family of
3 such annuitant who is a part D eligible individual
4 (as defined in section 1860D–1(a)(3)(A) of the So-
5 cial Security Act) through employment-based retiree
6 health coverage (as defined in section 1860D–
7 22(c)(1) of such Act) through a prescription drug
8 plan (as defined in section 1860D–41(a)(14) of such
9 Act).

10 “(g) POSTAL SERVICE CONTRIBUTION.—

11 “(1) IN GENERAL.—Subject to subsection (i),
12 for purposes of applying section 8906(b) to the
13 Postal Service, the weighted average shall be cal-
14 culated in accordance with paragraphs (2) and (3).

15 “(2) WEIGHTED AVERAGE CALCULATION.—Not
16 later than October 1 of each year (beginning with
17 2022), the Office shall determine the weighted aver-
18 age of the rates established pursuant to subsection
19 (c)(2) for Program plans that will be in effect dur-
20 ing the following contract year with respect to—

21 “(A) enrollments for self only;

22 “(B) enrollments for self plus one; and

23 “(C) enrollments for self and family.

24 “(3) WEIGHTING IN COMPUTING RATES FOR
25 INITIAL CONTRACT YEAR.—In determining such

1 weighted average of the rates for the initial contract
2 year, the Office shall take into account (for purposes
3 of section 8906(a)(2)) the enrollment of Postal Serv-
4 ice employees and annuitants in the health benefits
5 plans offered by the initial participating carriers as
6 of March 31, 2022.

7 “(h) RESERVES.—

8 “(1) SEPARATE RESERVES.—

9 “(A) IN GENERAL.—The Office shall en-
10 sure that each Program plan maintains sepa-
11 rate reserves (including a separate contingency
12 reserve) with respect to the enrollees in the
13 Program plan in accordance with section 8909.
14 All provisions of section 8909 relating to con-
15 tingency reserves shall apply to contingency re-
16 serves of Program plans in the same manner as
17 to those of other plans under this chapter, ex-
18 cept to the extent that such provisions are in-
19 consistent with the requirements of this sub-
20 section.

21 “(B) REFERENCES.—For purposes of the
22 Program, each reference to ‘the Government’ in
23 section 8909 shall be deemed to be a reference
24 to the Postal Service.

1 “(C) AMOUNTS TO BE CREDITED.—The re-
2 serves (including the separate contingency re-
3 serve) maintained by each Program plan shall
4 be credited with a proportionate amount of the
5 funds in the reserves for health benefits plans
6 offered by the carrier.

7 “(2) DISCONTINUATION OF PROGRAM PLAN.—
8 In applying section 8909(e) relating to a Program
9 plan that is discontinued, the Office shall credit the
10 separate Postal Service contingency reserve main-
11 tained under paragraph (1) for that plan only to the
12 separate Postal Service contingency reserves of the
13 Program plans continuing under this chapter.

14 “(i) NO EFFECT ON EXISTING LAW.—Nothing in
15 this section shall be construed as affecting section 1005(f)
16 of title 39 regarding variations, additions, or substitutions
17 to the provisions of this chapter.

18 “(j) HEALTH BENEFITS EDUCATION PROGRAM.—

19 “(1) Not later than 180 days after the date of
20 enactment of this section, the Postal Service shall
21 establish a Health Benefits Education Program.

22 Under the Program, the Postal Service shall—

23 “(A) notify annuitants and employees of
24 the Postal Service about the Postal Service

1 Health Benefits Program established under
2 subsection (c)(1);

3 “(B) provide information regarding the
4 Postal Service Health Benefits Program to such
5 annuitants and employees, including a descrip-
6 tion of the health care options available under
7 such Program, the enrollment provisions of sub-
8 section (d), and the requirement that annu-
9 itants and their family members be enrolled in
10 Medicare under subsection (e); and

11 “(C) in coordination with the Centers for
12 Medicare & Medicaid Services and the Commis-
13 sioner of Social Security, respond and provide
14 answers to any inquiry from such employees
15 and annuitants about the Postal Service Health
16 Benefits Program or Medicare enrollment.

17 “(2) The Office shall timely provide the Postal
18 Service with such information as the Postal Service
19 determines to be necessary to conduct the Medicare
20 Education Program.”.

21 (2) TECHNICAL AND CONFORMING AMEND-
22 MENTS.—

23 (A) Section 8903(1) of title 5, United
24 States Code, is amended by striking “two levels
25 of benefits” and inserting “2 levels of benefits

1 for enrollees under this chapter generally and 2
2 levels of benefits for enrollees under the Postal
3 Service Health Benefits Program established
4 under section 8903c”.

5 (B) The table of sections for chapter 89 of
6 title 5, United States Code, is amended by in-
7 serting after the item relating to section 8903b
8 the following:

“8903c. Postal Service Health Benefits Program.”.

9 (b) COORDINATION WITH MEDICARE.—

10 (1) MEDICARE PART A.—Section 226 of the So-
11 cial Security Act (42 U.S.C. 426) is amended by
12 adding at the end the following new subsection:

13 “(j)(1) In the case of an individual who—

14 “(A) on or after January 1, 2023, is—

15 “(i) a Postal Service employee;

16 “(ii) a Postal Service annuitant who is
17 not a Postal Service Medicare covered an-
18 nuitant; or

19 “(iii) a member of family of a Postal
20 Service employee or of a Postal Service an-
21 nuitant and who is not described in section
22 1837(o)(1) of this Act; and

23 “(B) enrolls in a Program plan under sec-
24 tion 8903c of title 5, United States Code,

1 such individual is deemed to be enrolled under this
2 part, regardless of whether such individual has filed
3 an application under subparagraph (A) or (C) of
4 subsection (a)(2).

5 “(2) Entitlement to hospital benefits under part
6 A by reason of paragraph (1) begins as of—

7 “(A) in the case of an individual who is a
8 Postal Service employee or a Postal Service an-
9 nuitant who is eligible to become a Postal Serv-
10 ice Medicare covered annuitant, the date on
11 which the individual becomes a Postal Service
12 Medicare covered annuitant or the date of en-
13 rollment in a Program plan, whichever is later;

14 “(B) in the case of an individual who is eli-
15 gible to enroll under section 1818 or 1818A,
16 the date on which the individual attains such
17 eligibility or the date of enrollment in a Pro-
18 gram plan whichever is later; and

19 “(C) in the case of an individual who is de-
20 scribed in paragraph (1)(A)(iii) and is eligible
21 to become a covered Medicare individual, as of
22 the first date the individual becomes a covered
23 Medicare individual or the date of enrollment in
24 a Program plan, whichever is later.

1 “(3) The definitions in section 8903c(a) of title
2 5, United States Code, shall apply for purposes of
3 this subsection.

4 “(4) Nothing in this subsection shall be con-
5 strued to deprive any individual of any other method
6 or period of enrollment to which such individual is
7 entitled under this section.”.

8 (2) MEDICARE PART B.—

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

13 “(o)(1) In the case of an individual who—

14 “(A) as of January 1, 2023, is—

15 “(i) a Postal Service Medicare covered
16 annuitant; or

17 “(ii) a member of family of a Postal
18 Service employee or of a Postal Service an-
19 nuitant and is a covered Medicare indi-
20 vidual;

21 “(B) intends to enroll in a Program plan
22 under section 8903c of title 5, United States
23 Code, for the initial contract year; and

24 “(C) is not enrolled under this part,

1 the individual may elect to be enrolled under this
2 part during a special enrollment period during the 3-
3 month period beginning on January 1, 2023.

4 “(2) In the case of an individual who—

5 “(A) on or after January 1, 2023, is—

6 “(i) a Postal Service employee;

7 “(ii) a Postal Service annuitant who is
8 not a Postal Service Medicare covered an-
9 nuitant; or

10 “(iii) a member of family of a Postal
11 Service employee or of a Postal Service an-
12 nuitant and who is not described in para-
13 graph (1); and

14 “(B) enrolls in a Program plan under sec-
15 tion 8903c of title 5, United States Code;

16 the individual shall be deemed to have enrolled in
17 the medical insurance program established by this
18 part.

19 “(3) The definitions in section 8903c(a) of title
20 5, United States Code, shall apply for purposes of
21 this subsection.

22 “(4) Nothing in this subsection shall be con-
23 strued to deprive any individual of any other method
24 or period of enrollment to which such individual is
25 entitled under this section.”.

1 (B) COVERAGE PERIODS.—Section 1838 of
2 the Social Security Act (42 U.S.C. 1395q) is
3 amended by adding at the end the following
4 new subsection:

5 “(i) Notwithstanding subsection (a)—

6 “(1) in the case of an individual who enrolls
7 under this part pursuant to a special enrollment pe-
8 riod under paragraph (1) of section 1837(o), the
9 coverage period under this part shall begin on the
10 date that the individual first has coverage under the
11 Program plan pursuant to the enrollment described
12 in paragraph (1)(B) of such section; and

13 “(2) in the case of an individual who is deemed
14 enrolled under paragraph (2) of section 1837(o), the
15 coverage period under this part shall begin as of—

16 “(A) in the case of such an individual who
17 is a Postal Service employee or a Postal Service
18 annuitant who is eligible to become a Postal
19 Service Medicare covered annuitant, the date on
20 which the individual becomes a Postal Service
21 Medicare covered annuitant or the date of en-
22 rollment in a Program plan, whichever is later;

23 “(B) in the case of such an individual who
24 is eligible to enroll under section 1818 or
25 1818A of this Social Security Act, the date on

1 which the individual attains such eligibility or
2 the date of enrollment in a Program plan,
3 whichever is later; and

4 “(C) in the case of an individual described
5 in paragraph (2)(A)(i)(III) of such section who
6 is eligible to become a covered Medicare indi-
7 vidual, as of the first date the individual be-
8 comes a covered Medicare individual or the date
9 of enrollment in a Program plan, whichever is
10 later.”.

11 (3) PART D EGWP CONTRACTING CONFORMING
12 AMENDMENT.—Section 1860D–22(b) of the Social
13 Security Act (42 U.S.C. 1395w–132(b)) is amended
14 by inserting before the period at the end the fol-
15 lowing: “, and shall be applied in a manner to facili-
16 tate the offering of prescription drug benefits under
17 a Program plan under section 8903c of title 5,
18 United States Code, through employment-based re-
19 tiree health coverage through a prescription drug
20 plan, as required under subsection (f) of such sec-
21 tion, through contracts between such a Program
22 plan and such a prescription drug plan”.

23 (4) WAIVER OF INCREASE OF MEDICARE PART
24 B PREMIUM.—Section 1839(b) of the Social Security
25 Act (42 U.S.C. 1395r(b)) is amended by inserting

1 after “subsection (i)(4) or (l) of section 1837” the
2 following: “or pursuant to the special enrollment pe-
3 riod under subsection (o)(1) of such section”.

4 **SEC. 102. USPS FAIRNESS ACT.**

5 (a) **SHORT TITLE.**—This section may be cited as the
6 “USPS Fairness Act”.

7 (b) **RATIONAL BENEFITS FUNDING AND ACCOUNT-**
8 **ING.**—

9 (1) **IN GENERAL.**—Section 8909a of title 5,
10 United States Code, is amended by striking sub-
11 section (d) and inserting the following:

12 “(d)(1) Not later than June 30, 2024, and by June
13 30 of each succeeding year, the Office shall compute, for
14 the most recently concluded fiscal year, the difference be-
15 tween—

16 “(A) any Government contributions re-
17 quired to be paid from the Fund under section
18 8906(g)(2)(A); and

19 “(B) the net claims costs under the enroll-
20 ment of the individuals described in section
21 8906(g)(2)(A).

22 “(2) Not later than September 30 of each year
23 in which the Office makes a computation under
24 paragraph (1), the United States Postal Service

1 shall pay into the Fund the difference computed in
2 such paragraph.

3 “(e) Any computation of the liability of the Fund re-
4 quired by law shall be based on—

5 “(1) the net present value of the future net
6 claims costs with respect to—

7 “(A) current annuitants of the United
8 States Postal Service as of the end of the fiscal
9 year ending on September 30 of the relevant re-
10 porting year; and

11 “(B) current employees of the United
12 States Postal Service who would, as of Sep-
13 tember 30 of that year,—

14 “(i) be eligible to become annuitants
15 pursuant to section 8901(3)(A); and

16 “(ii) if they were retired as of that
17 date, meet the criteria for coverage of an-
18 nuitants under section 8905(b);

19 “(2) economic and actuarial methods and as-
20 sumptions consistent with the methods and assump-
21 tions used in determining the Postal surplus or sup-
22 plemental liability under section 8348(h); and

23 “(3) any other methods and assumptions, in-
24 cluding a health care cost trend rate, that the Direc-
25 tor of the Office determines to be appropriate.

1 “(f) After consultation with the United States Postal
2 Service, the Office shall promulgate any regulations the
3 Office determines necessary under this subsection.

4 “(g) For purposes of this section, the term ‘net
5 claims costs’ shall mean the difference between—

6 “(1) the sum of—

7 “(A) the costs incurred by a carrier in pro-
8 viding health services to, paying for health serv-
9 ices provided to, or reimbursing expenses for
10 health services provided to, annuitants of the
11 United States Postal Service and any other per-
12 sons covered under the enrollment of such an-
13 nuitants; and

14 “(B) an amount of indirect expenses rea-
15 sonably allocable to the provision, payment, or
16 reimbursement described in subparagraph (A),
17 as determined by the Office; and

18 “(2) the amount withheld from the annuity of
19 or paid by annuitants of the United States Postal
20 Service under section 8906.”.

21 (2) CLERICAL AMENDMENT.—The heading of
22 section 8909a of title 5, United States Code, is
23 amended by striking “**Benefit**” and inserting
24 “**Benefits**”.

25 (c) APPLICATION.—

1 (1) CANCELLATION OF PAYMENTS.—Any pay-
2 ment required from the Postal Service under section
3 8909a of title 5, United States Code, as in effect on
4 the day before the date of enactment of this Act that
5 remains unpaid as of such date of enactment is can-
6 celed.

7 (2) EFFECT OF THIS ACT.—In any determina-
8 tion relating to the future liability for retiree health
9 benefits of the United States Postal Service or the
10 Postal Service Retiree Health Benefits Fund, the
11 Office of Personnel Management shall take into ac-
12 count the actual and reasonably expected effects of
13 this Act.

14 (d) USE OF FUNDS FROM SALE OF REAL PROPERTY
15 FOR CERTAIN PAYMENTS.—

16 (1) IN GENERAL.—Chapter 29 of title 39,
17 United States Code, is amended by adding at the
18 end the following:

19 **“§ 2903. Use of funds from sale of property**

20 “In the event that the Postal Service permanently
21 ceases operations, any funds derived from the sale of any
22 real property owned by the Postal Service shall be used
23 to pay any outstanding liability with respect to the salaries
24 and expenses of any Postal Service employee. The balance
25 of any remaining funds shall be deposited into the Postal

1 Service Retiree Health Benefits Fund established under
2 section 8909a of title 5.”.

3 (2) CLERICAL AMENDMENT.—The table of sec-
4 tions of such chapter is amended by adding after the
5 item relating to section 2902 the following new item:
“2903. Use of funds from sale of property.”.

6 **SEC. 103. NONPOSTAL SERVICES.**

7 (a) NONPOSTAL SERVICES.—

8 (1) IN GENERAL.—Part IV of title 39, United
9 States Code, is amended by adding after chapter 36
10 the following:

11 **“CHAPTER 37—NONPOSTAL SERVICES**

“Sec.

“3701. Purpose.

“3702. Definitions.

“3703. Postal Service program for State governments.

“3704. Postal Service program for other Government agencies.

“3705. Transparency and accountability for nonpostal services.

12 **“§ 3701. Purpose**

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

19 **“§ 3702. Definitions**

20 “In this chapter—

1 “(1) the term ‘nonpostal services’ is limited to
2 services offered by the Postal Service that are ex-
3 pressly authorized by this chapter and are not postal
4 products or services;

5 “(2) the term ‘attributable costs’ has the mean-
6 ing given such term in section 3631; and

7 “(3) the term ‘year’ means a fiscal year.

8 **“§ 3703. Postal Service program for State govern-**
9 **ments**

10 “(a) IN GENERAL.—Notwithstanding any other pro-
11 vision of this title, the Postal Service may establish a pro-
12 gram to enter into agreements with an agency of any State
13 government, local government, or tribal government to
14 provide property and services on behalf of such agencies
15 for non-commercial products and services, but only if such
16 property and services—

17 “(1) provide enhanced value to the public, such
18 as by lowering the cost or raising the quality of such
19 services or by making such services more accessible;

20 “(2) do not interfere with or detract from the
21 value of postal services, including—

22 “(A) the cost and efficiency of postal serv-
23 ices; and

1 “(B) unreasonably restricting access to
2 postal retail service, such as customer waiting
3 time 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 offer-
10 ing a service under the program, the Postal Service shall
11 make 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
16 public, terms of reimbursement, the estimated an-
17 nual reimbursement to the Postal Service, and the
18 estimated percentage of attributable Postal Service
19 costs that will be covered by reimbursement (with
20 documentation to support the estimates).

21 “(c) PUBLIC COMMENT.—Before offering a service
22 under the program, the Postal Service shall provide for
23 a public comment period of at least 30 days that allows
24 the public to post comments relating to the provision of
25 such services on the Postal Service website. The Postal

1 Service shall make reasonable efforts to provide written
2 responses to the comments on such website at least 30
3 days before offering 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
8 Service website with a majority of the total Governors vot-
9 ing for approval.

10 “(e) APPLICATION OF REPORTING REQUIRE-
11 MENTS.—For purposes of the reporting requirements
12 under section 3705, the Postal Service shall submit a sep-
13 arate report for each agreement with an agency entered
14 into under subsection (a) analyzing the costs, revenues,
15 rates, and quality of service for the provision of all services
16 under such agreement, including information dem-
17 onstrating that the agreement satisfies the requirements
18 of paragraphs (1) through (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 sec-
23 tion—

24 “(1) the term ‘local government’ means a coun-
25 ty, municipality, city, town, township, local public

1 authority, school district, special district, intrastate
2 district, council of governments, or regional or inter-
3 state government entity;

4 “(2) the term ‘State government’ includes the
5 government of the District of Columbia, the Com-
6 monwealth of Puerto Rico, the United States Virgin
7 Islands, Guam, American Samoa, the Common-
8 wealth of the Northern Mariana Islands, and any
9 other territory or possession of the United States;

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

14 “(4) the term ‘United States’, when used in a
15 geographical sense, means the States, the District of
16 Columbia, the Commonwealth of Puerto Rico, the
17 United States Virgin Islands, Guam, American
18 Samoa, the Commonwealth of the Northern Mariana
19 Islands, and any other territory or possession of the
20 United States.

21 “(h) CONFIDENTIAL INFORMATION.—Subsection (b)
22 or (c) shall not be construed as requiring the Postal Serv-
23 ice to disclose to the public any information—

24 “(1) described in section 410(c); or

1 “(2) exempt from public disclosure under sec-
2 tion 552(b) of title 5.

3 **“§ 3704. Postal Service program for other Govern-**
4 **ment agencies**

5 “(a) IN GENERAL.—The Postal Service may establish
6 a program to provide property and services to other Gov-
7 ernment agencies within the meaning of section 411, but
8 only if such program provides a reasonable contribution
9 to the institutional costs of the Postal Service, defined as
10 reimbursement by each agency that covers at least 100
11 percent of the attributable costs of all property and service
12 provided by the Postal Service in each year to such agency.

13 “(b) APPLICATION OF REPORTING REQUIRE-
14 MENTS.—For purposes of the reporting requirements
15 under section 3705, the Postal Service shall submit a sep-
16 arate report for each agreement with an agency entered
17 into under subsection (a) analyzing the costs, revenues,
18 rates, and quality of service for the provision of all services
19 under such agreement, including information dem-
20 onstrating that the agreement satisfies the requirements
21 of subsection (a).

22 **“§ 3705. Transparency and accountability for non-**
23 **postal services**

24 “(a) ANNUAL REPORT TO THE COMMISSION.—

1 “(1) IN GENERAL.—Not later than 90 days
2 after the last day of each year, the Postal Service
3 shall submit to the Postal Regulatory Commission a
4 report that analyzes costs, revenues, rates, and qual-
5 ity of service for each agreement for the provision of
6 property and services under this chapter, using such
7 methodologies as the Commission may prescribe, and
8 in sufficient detail to demonstrate compliance with
9 the requirements of this chapter.

10 “(2) SUPPORTING MATTER.—A report sub-
11 mitted under paragraph (1) shall include any non-
12 public annex, the working papers, and any other
13 supporting matter of the Postal Service and the In-
14 spector General related to the information submitted
15 in such report.

16 “(b) CONTENT AND FORM OF REPORT.—

17 “(1) IN GENERAL.—The Postal Regulatory
18 Commission shall, by regulation, prescribe the con-
19 tent and form of the report required under sub-
20 section (a). In prescribing such regulations, the
21 Commission shall give due consideration to—

22 “(A) providing the public with timely, ade-
23 quate information to assess compliance;

1 “(B) avoiding unnecessary or unwarranted
2 administrative effort and expense on the part of
3 the Postal Service; and

4 “(C) protecting the confidentiality of infor-
5 mation that is commercially sensitive or is ex-
6 empt from public disclosure under section
7 552(b) of title 5.

8 “(2) REVISED REQUIREMENTS.—The Commis-
9 sion may, on its own motion or on request of any
10 interested party, initiate proceedings to improve the
11 quality, accuracy, or completeness of Postal Service
12 data required by the Commission if—

13 “(A) the attribution of costs or revenues to
14 property or services under this chapter has be-
15 come significantly inaccurate or can be signifi-
16 cantly improved;

17 “(B) the quality of service data provided to
18 the Commission for a report under this chapter
19 has become significantly inaccurate or can be
20 significantly improved; or

21 “(C) such revisions are, in the judgment of
22 the Commission, otherwise necessitated by the
23 public interest.

24 “(c) AUDITS.—The Inspector General shall regularly
25 audit the data collection systems and procedures used in

1 collecting information and preparing the report required
2 under subsection (a). The results of any such audit shall
3 be submitted to the Postal Service and the Postal Regu-
4 latory Commission.

5 “(d) CONFIDENTIAL INFORMATION.—

6 “(1) IN GENERAL.—If the Postal Service deter-
7 mines that any document or portion of a document,
8 or other matter, which it provides to the Postal Reg-
9 ulatory Commission in a nonpublic annex under this
10 section contains information described in section
11 410(c), or exempt from public disclosure under sec-
12 tion 552(b) of title 5, the Postal Service shall, at the
13 time of providing such matter to the Commission,
14 notify the Commission of its determination, in writ-
15 ing, and describe with particularity the documents
16 (or portions of documents) or other matter for which
17 confidentiality is sought and the reasons therefor.

18 “(2) TREATMENT.—Any information or other
19 matter described in paragraph (1) to which the
20 Commission gains access under this section shall be
21 subject to paragraphs (2) and (3) of section 504(g)
22 in the same way as if the Commission had received
23 notification with respect to such matter under sec-
24 tion 504(g)(1).

25 “(e) ANNUAL COMPLIANCE DETERMINATION.—

1 “(1) OPPORTUNITY FOR PUBLIC COMMENT.—

2 Upon receiving a report required under subsection
3 (a), the Postal Regulatory Commission shall promptly—
4 ly—

5 “(A) provide an opportunity for comment
6 on such report by any interested party; and

7 “(B) appoint an officer of the Commission
8 to represent the interests of the general public.

9 “(2) DETERMINATION OF COMPLIANCE OR NON-
10 COMPLIANCE.—Not later than 90 days after receiving
11 a report required under subsection (a), the Postal
12 Regulatory Commission shall make a written determination
13 as to whether the nonpostal activities
14 carried out during the applicable year were or were
15 not in compliance with the provisions of this chapter.
16 For purposes of this paragraph, any case in which
17 the requirements for coverage of attributable costs
18 have not been met shall be considered to be a case
19 of noncompliance. If, with respect to a year, no instance
20 of noncompliance is found to have occurred,
21 the determination shall be to that effect. Such determination
22 of noncompliance shall be included with the
23 annual compliance determination required under section
24 3653.

1 “(3) NONCOMPLIANCE.—If a timely written de-
2 termination of noncompliance is made under para-
3 graph (2), the Postal Regulatory Commission shall
4 take appropriate action. If the requirements for cov-
5 erage of attributable costs specified by this chapter
6 are not met, the Commission shall, within 60 days
7 after the determination, prescribe remedial action to
8 restore compliance as soon as practicable, including
9 the full restoration of revenue shortfalls during the
10 following year. The Commission may order the Post-
11 al Service to discontinue a nonpostal service under
12 section 3703 that persistently fails to meet cost cov-
13 erage requirements.

14 “(4) DELIBERATE NONCOMPLIANCE.—In the
15 case of deliberate noncompliance by the Postal Serv-
16 ice with the requirements of this chapter, the Postal
17 Regulatory Commission may order, based on the na-
18 ture, circumstances, extent, and seriousness of the
19 noncompliance, a fine (in the amount specified by
20 the Commission in its order) for each incidence of
21 such noncompliance. All receipts from fines imposed
22 under this subsection shall be deposited in the gen-
23 eral fund of the Treasury.

1 “(f) REGULATIONS REQUIRED.—The Postal Regu-
2 latory Commission shall issue such regulations as are nec-
3 essary to carry out this section.”.

4 (2) CLERICAL AMENDMENT.—The table of
5 chapters for part IV of title 39, United States Code,
6 is amended by adding after the item relating to
7 chapter 36 the following:

“37. Nonpostal services 3701”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) SECTION 404.—Section 404(e) of title 39,
10 United States Code, is amended—

11 (A) in paragraph (2), by inserting after
12 “subsection” the following: “, or any nonpostal
13 products or services authorized by chapter 37”;
14 and

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

16 “(6) Licensing which, before the date of enactment
17 of this paragraph, has been authorized by the Postal Reg-
18 ulatory Commission for continuation as a nonpostal serv-
19 ice may not be used for any purpose other than—

20 “(A) to continue to provide licensed mailing,
21 shipping, or stationery supplies offered as of June
22 23, 2011; or

23 “(B) to license other goods, products, or serv-
24 ices, the primary purpose of which is to promote and
25 enhance the image or brand of the Postal Service.

1 “(7) Nothing in this section shall be construed to pre-
2 vent the Postal Service from establishing nonpostal prod-
3 ucts and services that are expressly authorized by chapter
4 37.”.

5 (2) SECTION 411.—The last sentence of section
6 411 of title 39, United States Code, is amended by
7 striking “including reimbursability” and inserting
8 “including reimbursability within the limitations of
9 chapter 37”.

10 (3) TREATMENT OF EXISTING NONPOSTAL
11 SERVICES.—All individual nonpostal services, pro-
12 vided directly or through licensing, that are contin-
13 ued pursuant to section 404(e) of title 39, United
14 States Code, shall be considered to be expressly au-
15 thorized by chapter 37 of such title (as added by
16 subsection (a)(1)) and shall be subject to the re-
17 quirements of such chapter.

18 (4) REPEAL OF CERTAIN LIMITATIONS ON EX-
19 PERIMENTAL PRODUCTS.—Section 3641 of title 39,
20 United States Code, is amended—

21 (A) by striking subsections (b), (d), and
22 (e); and

23 (B) by redesignating—

24 (i) subsection (c) as subsection (b);

25 and

1 (ii) subsections (f), (g), (h), and (i) as
2 subsections (c), (d), (e), and (f), respec-
3 tively.

4 **TITLE II—POSTAL SERVICE** 5 **OPERATIONAL REFORMS**

6 **SEC. 201. PERFORMANCE TARGETS AND TRANSPARENCY.**

7 Subchapter VII of chapter 36 of title 39, United
8 States Code, is amended by inserting after section 3691
9 the following:

10 **“§ 3692. Performance Targets and Transparency**

11 “(a) PERFORMANCE TARGETS.—Each year, to en-
12 sure that mail service for postal customers meets the serv-
13 ice standards for market-dominant products, established
14 under section 3691, the Postal Service shall—

15 “(1) at least 60 days before the beginning of
16 the fiscal year in which they will apply, establish and
17 provide to the Postal Regulatory Commission rea-
18 sonable targets for performance; and

19 “(2) provide the previous fiscal years’ perform-
20 ance targets in its Annual Compliance Report to the
21 Postal Regulatory Commission for evaluation of
22 compliance.

23 “(b) PUBLIC PERFORMANCE DASHBOARD.—

24 “(1) IN GENERAL.—The Postal Service shall
25 develop and maintain a publicly available Website

1 with an interactive web-tool that provides perform-
2 ance information for market-dominant products that
3 is updated on a weekly basis.

4 “(2) PERFORMANCE INFORMATION.—The per-
5 formance information provided on the Website shall
6 include—

7 “(A) the type of market-dominant product;

8 “(B) geographic area at the nationwide,
9 Area, and District level;

10 “(C) time periods showing performance in-
11 formation in annual, quarterly, monthly, and
12 weekly segments;

13 “(D) comparisons of performance informa-
14 tion for market-dominant products for previous
15 time periods to facilitate identification of per-
16 formance trends; and

17 “(E) the current performance targets and
18 previous fiscal year performance targets, estab-
19 lished under subsection (a)(1).

20 “(3) COMPREHENSIBILITY.—The Website shall
21 include plain language descriptions of the elements
22 required under paragraph (2) and information on
23 the collection process, measurement methodology,
24 completeness, accuracy, and validity of the perform-
25 ance information provided on the Website.

1 “(4) ADDRESS SEARCH FUNCTIONALITY.—The
2 Website shall include functionality to enable a user
3 to search for performance information by street ad-
4 dress, ZIP Code, or post office box.

5 “(5) FORMAT.—The performance information
6 provided on the Website shall be made available—

7 “(A) in a manner that—

8 “(i) presents the information ref-
9 erenced under paragraph (2) on an inter-
10 active dashboard;

11 “(ii) is searchable and may be sorted
12 and filtered by the elements described in
13 paragraph (2); and

14 “(iii) to the extent practicable, enables
15 any person or entity to download in bulk—

16 “(I) such performance informa-
17 tion; and

18 “(II) the results of a search by
19 the elements described in paragraph
20 (2);

21 “(B) in an open format that permits any
22 individual or entity to reuse and analyze the
23 performance information; and

24 “(C) in a structured data format, to the
25 extent practicable.

1 “(6) CONSULTATION.—The Postal Service shall
2 regularly consult with the Postal Regulatory Com-
3 mission on appropriate features and information to
4 be included on the Website.

5 “(7) PUBLIC INPUT.—The Postal Service
6 shall—

7 “(A) solicit public input on the design and
8 implementation of the Website; and

9 “(B) maintain a public feedback tool, to
10 ensure features of, and information on, the
11 Website is usable and understandable.

12 “(8) DEADLINE.—The Website shall be imple-
13 mented and made available to the public not later
14 than the date on which the performance targets are
15 provided to the Postal Regulatory Commission under
16 subsection (a)(1).

17 “(9) AVAILABILITY.—A link and plain language
18 description of the Website shall be made available on
19 the website where the performance targets and
20 measurements established under subsection (a)(1)
21 are made available.

22 “(10) REPORTING.—The dashboard referred to
23 in paragraph (5)(A)(i) shall be referenced in the An-
24 nual Performance Plan under section 2803, the An-

1 nual Performance Report under section 2804, and
2 the Annual Report under section 2402.

3 “(11) DEFINITIONS.—In this subsection—

4 “(A) PERFORMANCE INFORMATION.—The
5 term ‘performance information’ means the ob-
6 jective external performance measurements es-
7 tablished under section 3691(b)(1)(D).

8 “(B) WEBSITE.—The term ‘Website’
9 means the website described in paragraph (1).”.

10 **SEC. 202. INTEGRATED DELIVERY NETWORK.**

11 Section 101(b) of title 39, United States Code, is
12 amended by inserting before “The Postal Service” the fol-
13 lowing: “The Postal Service shall maintain an integrated
14 network for the delivery of market-dominant and competi-
15 tive products (as defined in chapter 36 of this title). Deliv-
16 ery shall occur at least six days a week, except during
17 weeks that include a Federal holiday or in emergency situ-
18 ations, such as natural disasters.”.

19 **SEC. 203. REVIEW OF POSTAL SERVICE COST ATTRIBUTION**
20 **GUIDELINES.**

21 Not later than the date that is one year after the
22 date of the enactment of this Act, the Postal Regulatory
23 Commission shall initiate a review of the regulations
24 issued pursuant to sections 3633(a) and 3652(a)(1) of
25 title 39, United States Code, to determine whether revi-

1 sions are appropriate to ensure that all direct and indirect
2 costs attributable to competitive and market-dominant
3 products are properly attributed to those products, includ-
4 ing by considering the underlying methodologies in deter-
5 mining cost attribution and considering options to revise
6 such methodologies. If the Commission determines, after
7 notice and opportunity for public comment, that revisions
8 are appropriate, the Commission shall make modifications
9 or adopt alternative methodologies as necessary.

10 **SEC. 204. RURAL NEWSPAPER SUSTAINABILITY.**

11 Section 3626(h) of title 39, United States Code, is
12 amended by striking “10 percent” and inserting “50 per-
13 cent”.

14 **SEC. 205. FUNDING OF POSTAL REGULATORY COMMISSION.**

15 (a) IN GENERAL.—Subsection (d) of section 504 of
16 title 39, United States Code, is amended to read as fol-
17 lows:

18 “(d)(1) Not later than September 1 of each fiscal
19 year (beginning with fiscal year 2022), the Postal Regu-
20 latory Commission shall submit to the Postal Service a
21 budget of the Commission’s expenses, including expenses
22 for facilities, supplies, compensation, and employee bene-
23 fits, for the following fiscal year. Any such budget shall
24 be deemed approved as submitted if the Governors fail to
25 adjust the budget in accordance with paragraph (2).

1 “(2)(A) Not later than 30 days after receiving a
2 budget under paragraph (1), the Governors holding office,
3 by unanimous written decision, may adjust the total
4 amount of funding requested in such budget. Nothing in
5 this subparagraph may be construed to authorize the Gov-
6 ernors to adjust any activity proposed to be funded by the
7 budget.

8 “(B) If the Governors adjust the budget under sub-
9 paragraph (A), the Postal Regulatory Commission shall
10 adjust the suballocations within such budget to reflect the
11 total adjustment made by the Governors. The budget shall
12 be deemed approved on the date the Commission makes
13 any such adjustments. The Commission may make further
14 adjustments to the suballocations within such budget as
15 necessary.

16 “(3) Expenses incurred under any budget approved
17 under this subsection shall be paid out of the Postal Serv-
18 ice Fund established under section 2003.”.

19 (b) CONFORMING AMENDMENTS.—Title 39, United
20 States Code, is amended—

21 (1) in section 2003(e), by striking “(B) all ex-
22 penses of the Postal Regulatory Commission, subject
23 to the availability of amounts appropriated under
24 section 504(d);” and inserting “(B) all expenses of

1 the Postal Regulatory Commission, pursuant to sec-
2 tion 504(d);” and

3 (2) in section 2009—

4 (A) by striking “, (2)” and inserting “,
5 and (2)” and

6 (B) by striking “, and (3) the Postal Regu-
7 latory Commission requests to be appropriated,
8 out of the Postal Service Fund, under section
9 504(d) of this title”.

10 **SEC. 206. FLATS OPERATIONS STUDY AND REFORM.**

11 (a) FLATS OPERATIONS STUDY.—

12 (1) IN GENERAL.—The Postal Regulatory Com-
13 mission, in consultation with the Inspector General
14 of the United States Postal Service, shall conduct a
15 study to—

16 (A) comprehensively identify the causes of
17 inefficiencies in the collection, sorting, transpor-
18 tation, and delivery of Flats; and

19 (B) quantify the effects of the volume
20 trends, investments decisions, excess capacity,
21 and operational inefficiencies of the Postal
22 Service on the direct and indirect costs of the
23 Postal Service that are attributable to Flats.

24 (2) POSTAL SERVICE ASSISTANCE.—For the
25 purposes of carrying out the study under paragraph

1 (1), the Postal Service shall, upon request by the
2 Postal Regulatory Commission, consult with the
3 Postal Regulatory Commission and provide—

4 (A) access to Postal Service facilities to
5 personnel of the Postal Regulatory Commission;
6 and

7 (B) information and records necessary to
8 conduct such study.

9 (3) REPORT.—Not later than one year after the
10 date of the enactment of this Act, the Postal Regu-
11 latory Commission shall submit to Congress and the
12 Postmaster General a report on the findings of the
13 study conducted under paragraph (1).

14 (4) FLATS DEFINED.—In this subsection, the
15 term “Flats” means products that meet the physical
16 standards described in the Domestic Mail Manual
17 (as in effect on the date of the enactment of this
18 Act) for Flats mail for any class of mail.

19 (b) FLATS OPERATIONS REFORM.—

20 (1) IN GENERAL.—Not later than six months
21 after the date on which the Postal Regulatory Com-
22 mission submits the report described in subsection
23 (a)(3), the Postal Service shall—

24 (A) develop and implement a plan to rem-
25 edy each inefficiency identified in the study con-

1 ducted under subsection (a)(1) to the extent
2 practicable; and

3 (B) if the Postal Service determines that
4 remedying any such inefficiency is not prac-
5 ticable, provide to Congress and the Postal Reg-
6 ulatory Commission an explanation why rem-
7 edying such inefficiency is not practicable, in-
8 cluding whether it may become practicable to
9 remedy such inefficiency at a later time.

10 (2) IMPLEMENTATION REQUIREMENTS.—Prior
11 to implementing the plan described in paragraph
12 (1)—

13 (A) the Postal Regulatory Commission
14 must approve the plan; and

15 (B) the Postal Service shall provide an
16 adequate opportunity for public comment on the
17 plan.

18 (3) COMPLETION NOTICE.—On the date on
19 which the plan described in paragraph (1) is fully
20 implemented, as determined by the Postmaster Gen-
21 eral, the Postmaster General shall submit to Con-
22 gress and the Postal Regulatory Commission a writ-
23 ten notice of such implementation.

24 (c) SUBSEQUENT RATE ADJUSTMENTS.—During the
25 five-year period beginning on the date on which the Post-

1 master General submits the notice under subsection
2 (b)(3), the Postal Service shall consider the findings of
3 the report described in subsection (a)(3) and the efficacy
4 of the plan described in subsection (b)(1) in remedying
5 the inefficiencies identified in the study conducted under
6 subsection (a)(1) when making any adjustment to the rate
7 of a market-dominant product (as defined in section 102
8 of title 39, United States Code).

9 **SEC. 207. REPORTING REQUIREMENTS.**

10 (a) IN GENERAL.—Not later than six months after
11 the date of the enactment of this Act, and every six
12 months thereafter, the Postmaster General shall submit
13 to the President, the Postal Regulatory Commission, the
14 Committee on Homeland Security and Governmental Af-
15 fairs of the Senate, and the Committee on Oversight and
16 Reform of the House of Representatives a report on the
17 operations and financial condition of the Postal Service
18 during the six-month period ending on the date on which
19 the Postmaster General submits such report.

20 (b) CONTENTS.—Each report submitted under this
21 section shall include updates, details of changes from pre-
22 vious standards and requirements, and assessments of
23 progress being made on the operations and financial con-
24 dition of the Postal Service , including—

1 (1) the actual mail and package volume growth
2 relative to any mail or package volume growth pro-
3 jections previously made or relied upon by the Postal
4 Service, including a discussion of the reasons for the
5 differences in projections and the associated adjust-
6 ments being made in order to accommodate any
7 such differences;

8 (2) the effect of pricing changes on product vol-
9 ume for market-dominant and competitive products,
10 and associated revenue effects on financial projec-
11 tions, including a discussion of the reasons behind
12 the differences in projections and associated adjust-
13 ments being made;

14 (3) customer use of network distribution cen-
15 ters and processing and distribution centers, and as-
16 sociated costs and revenue effects;

17 (4) the status of, and any substantial pro-
18 grammatic changes to, the USPS Connect program
19 relative to previous plans by the Postal Service, in-
20 cluding online sales and customer expectations re-
21 garding shipping speeds and shopping preferences
22 relative to projections, as well as associated imple-
23 mentation costs and revenue effects on the financial
24 projects;

1 (5) the use of Priority Mail, Priority Mail Ex-
2 press, First-Class Package Service, and Parcel Se-
3 lect services (as such terms are defined in the Do-
4 mestic Mail Classification Schedule as in effect on
5 the date of the enactment of this Act) among busi-
6 nesses of various sizes, and associated revenue ef-
7 fects;

8 (6) the use of USPS Connect Returns service
9 among customers, and associated implementation
10 costs and revenue effects;

11 (7) the use of USPS E-Commerce Marketplace
12 among customers, and associated implementation
13 costs and revenue effects;

14 (8) updates on the reliability, efficiency, and
15 cost-effectiveness of the transportation network, in-
16 cluding the manner in which ground transportation
17 is utilized over air transportation for types of prod-
18 ucts;

19 (9) a review of efforts to enhance employee
20 training, safety, and wellbeing, including associated
21 effects on employee recruitment, satisfaction, and re-
22 tention;

23 (10) a review of efforts being made to improve
24 employee allocation, including changes of non-career
25 employees to career status, and any associated im-

1 pacts to operational expenses and processing, trans-
2 portation, and delivery efficiency;

3 (11) the rate of planned investment into Postal
4 Service processing, transportation, and delivery
5 equipment and infrastructure for market-dominant
6 and competitive products, and a review of any asso-
7 ciated effects on operational expenses and efficiency;

8 (12) changes to network distribution centers
9 and the expansion of regional distribution centers,
10 including costs associated with the changes and any
11 realized reduction in operational expenses or im-
12 proved resource efficiencies;

13 (13) a review of the ability of the Postal Service
14 to meet performance targets established under sec-
15 tion 3692(a)(1)(A) of title 39, United States Code;

16 (14) a discussion of the progress of the Postal
17 Service in achieving any new, self-funded invest-
18 ments, including the amounts realized and expended
19 to date, and a discussion of the reasons behind any
20 disparities in the assumptions regarding the ex-
21 pected progress of the Postal Service getting new,
22 self-funded investments to accommodate changes;
23 and

24 (15) any other information the Postal Service
25 determines relevant, such as barriers or unantici-

1 pated events, in order to help the Postal Regulatory
2 Commission, Congress, the President, and the Amer-
3 ican public evaluate the success or difficulties faced
4 by the Postal Service in implementing the reform
5 plan.

6 (c) CONFIDENTIAL INFORMATION.—

7 (1) IN GENERAL.—The report required under
8 this subsection shall be submitted in a form that ex-
9 cludes any proprietary or confidential information
10 and trade secrets.

11 (2) NOTIFICATION.—If the Postal Service de-
12 termines that any information must be excluded
13 under paragraph (1), the Postal Service shall, at the
14 time of submitting the report, notify the President,
15 the Committee on Oversight and Reform of the
16 House of Representatives, the Committee on Home-
17 land Security and Governmental Affairs of the Sen-
18 ate, and the Postal Regulatory Commission in writ-
19 ing of its determination and describe in detail the in-
20 formation for which confidentiality is sought and the
21 reasons therefor.

22 (3) ANNEXES.—The Postal Service shall submit
23 to the persons and entities notified under paragraph
24 (2) any information excluded under paragraph (1) in

1 an annex that shall be treated as confidential in ac-
2 cordance with paragraph (4).

3 (4) TREATMENT.—No person may, with respect
4 to any information which such person receives under
5 paragraph (4)—

6 (A) use such information for purposes
7 other than the purposes for which it is supplied;
8 or

9 (B) permit any person or entity other than
10 a person or entity notified under paragraph (2),
11 or the staff thereof, to have access to any such
12 information.

13 (d) TERMINATION.—This subsection shall terminate
14 on the date that is five years after the date on which the
15 first report required by this section is submitted.

16 **SEC. 208. POSTAL SERVICE TRANSPORTATION SELECTION**
17 **POLICY REVISIONS.**

18 Section 101(f) of title 39, United States Code, is
19 amended—

20 (1) by striking “prompt and economical” and
21 inserting “prompt, economical, consistent, and reli-
22 able”;

23 (2) by inserting after “all mail” the following:
24 “in a manner that increases operational efficiency
25 and reduces complexity”;

1 (3) by inserting “cost-effective” after “to
2 achieve”; and

3 (4) by inserting “also” after “Nation shall”.

4 **SEC. 209. USPS INSPECTOR GENERAL OVERSIGHT OF POST-**
5 **AL REGULATORY COMMISSION.**

6 (a) IN GENERAL.—Section 8G of the Inspector Gen-
7 eral Act of 1978 (5 U.S.C. App.) is amended—

8 (1) in subsection (a)(2), by striking “the Postal
9 Regulatory Commission,”; and

10 (2) in subsection (f)(2)—

11 (A) by striking “(2) In carrying” and in-
12 serting “(2)(A) In carrying”; and

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

14 “(B) In carrying out the duties and responsibil-
15 ities specified in this Act, the Inspector General of
16 the United States Postal Service shall function as
17 the Inspector General for the Postal Regulatory
18 Commission, and shall have equal responsibility over
19 the United States Postal Service and the Postal
20 Regulatory Commission. The Commission shall com-
21 ply with the Inspector General’s oversight as if the
22 Commission were a designated Federal entity under
23 paragraph (a)(2) of this section.”.

24 (b) SAVINGS PROVISION.—

1 (1) LEGAL DOCUMENTS.—Any order, deter-
2 mination, rule, regulation, permit, grant, loan, con-
3 tract, agreement, certificate, license, or privilege that
4 has been issued, made, granted, or allowed to be-
5 come effective that is in effect on the effective date
6 of this section shall continue in effect according to
7 their terms until modified, terminated, superseded,
8 set aside, or revoked in accordance with law.

9 (2) PROCEEDINGS.—This section and the
10 amendments made by this section shall not affect
11 any proceeding pending on the effective date of this
12 section before an office transferred by either such
13 subsection, but such proceeding shall be continued.
14 Nothing in this paragraph shall be considered to
15 prohibit the discontinuance or modification of any
16 such proceeding under the same terms and condi-
17 tions and to the same extent that such proceeding
18 could have been discontinued or modified if this sec-
19 tion or such amendments had not been enacted.

20 (3) SUITS.—This section and the amendments
21 made by this section shall not affect any suit com-
22 menced before the effective date of this section, and
23 in any such suit, proceeding shall be had, appeals
24 taken, and judgments rendered in the same manner

1 and with the same effect as if this section or such
2 amendments had not been enacted.

3 (4) REFERENCES.—Any reference in any other
4 Federal law, Executive order, rule, regulation, or
5 delegation of authority, or any document relating to
6 the Inspector General of the Postal Regulatory Com-
7 mission shall be deemed to refer to the Inspector
8 General of the United States Postal Service.

9 (c) TECHNICAL AND CONFORMING AMENDMENT.—
10 Section 504 of title 39, United States Code, is amended
11 by striking subsection (h).

12 (d) EFFECTIVE DATE.—This section and the amend-
13 ments made by this section shall take effect on the date
14 that is 180 days after the date of enactment of this Act.

