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(Original Signature of Member)

117TH CONGRESS
1ST SESSION

H. R.

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

IN THE HOUSE OF REPRESENTATIVES

Mrs. CAROLYN B. MALONEY of New York introduced the following bill; which was referred to the Committee on _____

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 Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

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

6 (b) TABLE OF CONTENTS.—The table of contents of
7 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;

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

5 “(4) the term ‘Medicare part A’ means part A
6 of title XVIII of the Social Security Act (42 U.S.C.
7 1395c et seq.);

8 “(5) the term ‘Medicare part B’ means part B
9 of title XVIII of the Social Security Act (42 U.S.C.
10 1395j et seq.);

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

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

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

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

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

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

1 “(B) is a covered Medicare individual;

2 “(11) the term ‘Program’ means the Postal
3 Service Health Benefits Program established under
4 subsection (c) within the Federal Employees Health
5 Benefit Program;

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

8 “(13) the terms set forth in section 8901 shall
9 apply.

10 “(b) APPLICATION.—The requirements under this
11 section shall—

12 “(1) apply to the initial contract year and each
13 contract year thereafter; and

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

17 “(c) ESTABLISHMENT OF THE POSTAL SERVICE
18 HEALTH BENEFITS PROGRAM.—

19 “(1) IN GENERAL.—The Office shall establish
20 the Postal Service Health Benefits Program under
21 which the Office contracts with carriers to offer
22 health benefits plans as described under this section.
23 Except as otherwise provided in this section, any
24 such contract shall be consistent with the require-
25 ments of this chapter for contracts under section

1 8902 with carriers to offer health benefits plans
2 other than under this section. The Program shall—

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

5 “(i) each carrier for which the total
6 enrollment in the plans provided under this
7 chapter includes, in the contract year be-
8 ginning in January 2022, 1,500 or more
9 enrollees who are Postal Service employees
10 or Postal Service annuitants; and

11 “(ii) any other carrier determined ap-
12 propriate by the Office;

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

16 “(C) provide for enrollment in a plan as an
17 individual, for self plus one, or for self and fam-
18 ily; and

19 “(D) not be available for participation by
20 an individual who is not a Postal Service em-
21 ployee or Postal Service annuitant (except as a
22 member of family of such an employee or annu-
23 itant or as provided under paragraph (5)).

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

25 The Office shall ensure that each Program plan in-

1 includes rates that reasonably and equitably reflect the
2 cost of benefits provided to a risk pool consisting
3 solely of Postal Service employees, Postal Service an-
4 nuitants, and covered members of family of such em-
5 ployees and annuitants (regardless of the health
6 plan, coverage, or benefit program in which such an
7 employee, annuitant, or member of family is en-
8 rolled), taking into specific account the change in
9 benefits cost for the Program plan due to the Medi-
10 care enrollment requirements under subsection (e)
11 and any savings or subsidies resulting from sub-
12 section (f).

13 “(3) ACTUARIALLY EQUIVALENT COVERAGE.—
14 The Office shall ensure that each carrier partici-
15 pating in the Postal Service Health Benefits Pro-
16 gram provides coverage under the Program plans of-
17 fered by the carrier that is actuarially equivalent, as
18 determined by the Office, to the coverage that the
19 carrier provides under the health benefits plans of-
20 fered by the carrier under this chapter that are not
21 Program plans.

22 “(4) APPLICABILITY OF FEDERAL EMPLOYEES
23 HEALTH BENEFITS PROGRAM REQUIREMENTS.—Ex-
24 cept as otherwise set forth in this section, all provi-
25 sions of this chapter applicable to health benefits

1 plans offered by carriers under section 8903 or
2 8903a shall apply to plans offered under the Pro-
3 gram.

4 “(5) APPLICATION OF CONTINUATION COV-
5 ERAGE.—In accordance with rules established by the
6 Office, section 8905a shall apply to health benefits
7 plans offered under this section in the same manner
8 as such section applies to other health benefits plans
9 offered under this chapter.

10 “(d) ELECTION OF COVERAGE.—

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

15 “(A) shall be subject to the requirements
16 of this section; and

17 “(B) may not enroll in any other health
18 benefits plan offered under any other section of
19 this chapter.

20 “(2) EXCEPTIONS.—

21 “(A) LACK OF GEOGRAPHIC COVERAGE.—

22 An individual who is a Postal Service employee
23 or Postal Service annuitant may enroll in a
24 health benefits plan offered under any other
25 section of this chapter if the individual resides

1 in a geographic area for which there is not a
2 Program plan in which the individual may en-
3 roll.

4 “(B) ANNUITANTS AS OF PROGRAM INCEP-
5 TION.—

6 “(i) CURRENT MEDICARE COVERED
7 ANNUITANTS.—

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

18 “(II) PROGRAM PLAN ENROLL-
19 MENT FOLLOWING MEDICARE PARTS A
20 AND B ENROLLMENT.—In the case of
21 an individual described in subclause
22 (I) who subsequent to January 1,
23 2023, is enrolled in both Medicare
24 part A and Medicare part B, begin-
25 ning with the first contract year be-

1 ginning after the date such individual
2 is enrolled in both Medicare part A
3 and Medicare part B, subclause (I)
4 shall no longer apply to such indi-
5 vidual and such individual may receive
6 health benefits under this chapter
7 only through a Program plan.

8 “(ii) PRE-MEDICARE ANNUITANTS.—

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

21 “(II) EXCEPTION.—In the case
22 of an individual described in subclause
23 (I) who enrolls in a Program plan for
24 any contract year beginning on or
25 after the date on which the individual

1 becomes a Postal Service Medicare
2 covered annuitant, beginning with
3 such contract year, subclause (I) shall
4 no longer apply to the individual and
5 the individual may receive health ben-
6 efits under this chapter only through
7 enrollment in a Program plan.

8 “(C) CERTAIN EMPLOYEES AS OF PRO-
9 GRAM INCEPTION.—

10 “(i) LEGACY COVERAGE.—A Postal
11 Service employee who is enrolled in a
12 health benefits plan under this chapter for
13 the contract year immediately preceding
14 the initial contract year that is not a
15 health benefits plan offered by an initial
16 participating carrier may enroll in either a
17 Program plan or in a health benefits plan
18 offered under any other section of this
19 chapter, except that—

20 “(I) if the Postal Service em-
21 ployee changes enrollment to a dif-
22 ferent health benefits plan under this
23 chapter during the open season for
24 the initial contract year, or after the
25 start of the initial contract year, the

1 Postal Service employee may only en-
2 roll in a Program plan;

3 “(II) if the health benefits plan
4 in which such employee is enrolled for
5 such contract year becomes available
6 as a Program plan, the Postal Service
7 employee may only enroll in a Pro-
8 gram plan; and

9 “(III) upon becoming a Postal
10 Service annuitant, if the Postal Serv-
11 ice employee elects to continue cov-
12 erage under this chapter, the Postal
13 Service employee shall enroll in a Pro-
14 gram plan during the open season
15 that is—

16 “(aa) being held when the
17 Postal Service employee becomes
18 a Postal Service annuitant; or

19 “(bb) if the date on which
20 the Postal Service employee be-
21 comes a Postal Service annuitant
22 falls outside of an open season,
23 the first open season following
24 that date.

1 “(ii) CURRENT EMPLOYEES AGED 64
2 AND OVER.—

3 “(I) IN GENERAL.—Subject to
4 subclause (II), an individual who, as
5 of January 1, 2023, is a Postal Serv-
6 ice employee and is at least 64 years
7 of age may enroll in either a Program
8 plan or in a health benefits plan of-
9 fered under any other section of this
10 chapter.

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

23 “(D) CERTAIN OTHER ANNUITANTS.—

1 “(i) ANNUITANTS AND FAMILY MEM-
2 BERS EXCLUDED FROM PREMIUM-FREE
3 MEDICARE PART A.—

4 “(I) IN GENERAL.—Subject to
5 subclause (II), a Postal Service annu-
6 itant who is eligible to enroll in Medi-
7 care Part A under section 1818 or
8 1818A of the Social Security Act may
9 enroll in either a Program plan or in
10 a health benefits plan offered under
11 any other section of this chapter if the
12 annuitant—

13 “(aa) is eligible to enroll in
14 Medicare part A under section
15 1818 or 1818A of the Social Se-
16 curity Act; or

17 “(bb) includes in the annu-
18 itant’s plan enrollment one or
19 more family members who are el-
20 igible to enroll in Medicare part
21 A under section 1818 or 1818A
22 of such Act.

23 “(II) EXCEPTION.—In the case
24 of an annuitant described in subclause
25 (I) who enrolls in a Program plan for

1 any contract year beginning on or
2 after the date on which the annuitant
3 or any member of family covered by
4 the enrollment becomes eligible to en-
5 roll in Medicare part A, beginning
6 with such contract year, subclause (I)
7 shall no longer apply to the annuitant
8 and the annuitant may receive health
9 benefits under this chapter only
10 through enrollment in a Program
11 plan.

12 “(ii) LIMITED OR REDUNDANT COV-
13 ERAGE.—An individual who is a Postal
14 Service annuitant may enroll either in a
15 Program plan (subject to subsection (e) of
16 this section and to sections 226(j) and
17 1837(o)(2) of the Social Security Act) or
18 in a health benefits plan offered under any
19 other section of this chapter for any con-
20 tract year in which the annuitant or mem-
21 ber of family covered by the enrollment, re-
22 spectively, 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 Af-
7 fairs under subchapter II of chapter
8 17 of title 38, United States Code; or

9 “(III) the annuitant receives
10 comprehensive medical coverage pro-
11 vided by the Indian Health Service
12 under the Indian Health Care Im-
13 provement Act (25 U.S.C. 1601 et
14 seq.).

15 “(iii) REGULATIONS.—Not later than
16 90 days after the date of enactment of this
17 section, the Office shall, in consultation
18 with the Secretary of Health and Human
19 Services, the Secretary of Veterans Affairs,
20 and the Postmaster General, promulgate
21 any regulations necessary to implement
22 this subparagraph.

23 “(e) REQUIREMENT OF MEDICARE ENROLLMENT
24 FOR CERTAIN ANNUITANTS AND THEIR FAMILY MEM-
25 BERS.—

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

6 “(2) MEDICARE COVERED FAMILY MEMBERS.—
7 In the case of a Postal Service annuitant who is re-
8 quired under this subsection to enroll in Medicare
9 part A and Medicare part B to enroll under the Pro-
10 gram, if a member of family of such Postal Service
11 annuitant is a covered Medicare individual or is eli-
12 gible to enroll in Medicare Part A under section
13 1818 or 1818A of the Social Security Act, that
14 member of family may not enroll under the Program
15 as a member of family of the Postal Service annu-
16 itant unless that member of family is enrolled in
17 both Medicare part A and Medicare part B.

18 “(3) PROCESS FOR COORDINATED ELECTION OF
19 MEDICARE ENROLLMENT.—The Office shall estab-
20 lish a process under which—

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

1 “(i) are informed, prior to enrollment
2 under this section, of such requirement;
3 and

4 “(ii) receive requests for any addi-
5 tional information necessary for enrollment
6 in writing; and

7 “(B) the Office provides the Secretary of
8 Health and Human Services and the Commis-
9 sioner of Social Security in a timely manner
10 with such information with respect to such an-
11 nuityants and members of family and such elec-
12 tion as may be required to effect their enroll-
13 ment and coverage under Medicare part A and
14 Medicare part B and this section in a timely
15 manner, including to effect deemed enrollments,
16 if applicable under sections 226(j) and 1837(o)
17 of the Social Security Act, for such continuous
18 period as such annuityant or member of family
19 involved otherwise maintains eligibility for en-
20 rollment under Medicare part A and Medicare
21 part B, to have elected to be enrolled under
22 such part (in accordance with such sections) in
23 connection with the enrollment in a Program
24 plan under this section.

25 “(f) MEDICARE COORDINATION.—

1 “(1) IN GENERAL.—The Office shall require
2 each Program plan to provide benefits for covered
3 Medicare individuals (and individuals eligible to en-
4 roll in Medicare part A pursuant to section 1818 or
5 1818A of the Social Security Act) pursuant to the
6 same coordination of benefits method used in con-
7 nection with plans offered under any other section of
8 this chapter.

9 “(2) MEDICARE PART D PRESCRIPTION DRUG
10 BENEFITS.—The Office shall require each Program
11 plan to provide prescription drug benefits to any
12 Postal Service annuitant and member of family of
13 such annuitant who is a part D eligible individual
14 (as defined in section 1860D–1(a)(3)(A) of the So-
15 cial Security Act) through employment-based retiree
16 health coverage (as defined in section 1860D–
17 22(c)(1) of such Act) through a prescription drug
18 plan (as defined in section 1860D–41(a)(14) of such
19 Act).

20 “(g) POSTAL SERVICE CONTRIBUTION.—

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

1 “(2) WEIGHTED AVERAGE CALCULATION.—Not
2 later than October 1 of each year (beginning with
3 2022), the Office shall determine the weighted aver-
4 age of the rates established pursuant to subsection
5 (c)(2) for Program plans that will be in effect dur-
6 ing the following contract year with respect to—

7 “(A) enrollments for self only;

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

9 “(C) enrollments for self and family.

10 “(3) WEIGHTING IN COMPUTING RATES FOR
11 INITIAL CONTRACT YEAR.—In determining such
12 weighted average of the rates for the initial contract
13 year, the Office shall take into account (for purposes
14 of section 8906(a)(2)) the enrollment of Postal Serv-
15 ice employees and annuitants in the health benefits
16 plans offered by the initial participating carriers as
17 of March 31, 2022.

18 “(h) RESERVES.—

19 “(1) SEPARATE RESERVES.—

20 “(A) IN GENERAL.—The Office shall en-
21 sure that each Program plan maintains sepa-
22 rate reserves (including a separate contingency
23 reserve) with respect to the enrollees in the
24 Program plan in accordance with section 8909.
25 All provisions of section 8909 relating to con-

1 contingency reserves shall apply to contingency re-
2 serves of Program plans in the same manner as
3 to those of other plans under this chapter, ex-
4 cept to the extent that such provisions are in-
5 consistent with the requirements of this sub-
6 section.

7 “(B) REFERENCES.—For purposes of the
8 Program, each reference to ‘the Government’ in
9 section 8909 shall be deemed to be a reference
10 to the Postal Service.

11 “(C) AMOUNTS TO BE CREDITED.—The re-
12 serves (including the separate contingency re-
13 serve) maintained by each Program plan shall
14 be credited with a proportionate amount of the
15 funds in the reserves for health benefits plans
16 offered by the carrier.

17 “(2) DISCONTINUATION OF PROGRAM PLAN.—
18 In applying section 8909(e) relating to a Program
19 plan that is discontinued, the Office shall credit the
20 separate Postal Service contingency reserve main-
21 tained under paragraph (1) for that plan only to the
22 separate Postal Service contingency reserves of the
23 Program plans continuing under this chapter.

24 “(i) NO EFFECT ON EXISTING LAW.—Nothing in
25 this section shall be construed as affecting section 1005(f)

1 of title 39 regarding variations, additions, or substitutions
2 to the provisions of this chapter.

3 “(j) HEALTH BENEFITS EDUCATION PROGRAM.—

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

7 Under the Program, the Postal Service shall—

8 “(A) notify annuitants and employees of
9 the Postal Service about the Postal Service
10 Health Benefits Program established under
11 subsection (c)(1);

12 “(B) provide information regarding the
13 Postal Service Health Benefits Program to such
14 annuitants and employees, including a descrip-
15 tion of the health care options available under
16 such Program, the enrollment provisions of sub-
17 section (d), and the requirement that annu-
18 itants and their family members be enrolled in
19 Medicare under subsection (e); and

20 “(C) in coordination with the Centers for
21 Medicare & Medicaid Services and the Commis-
22 sioner of Social Security, respond and provide
23 answers to any inquiry from such employees
24 and annuitants about the Postal Service Health
25 Benefits Program or Medicare enrollment.

1 “(2) The Office shall timely provide the Postal
2 Service with such information as the Postal Service
3 determines to be necessary to conduct the Medicare
4 Education Program.”.

5 (2) TECHNICAL AND CONFORMING AMEND-
6 MENTS.—

7 (A) Section 8903(1) of title 5, United
8 States Code, is amended by striking “two levels
9 of benefits” and inserting “2 levels of benefits
10 for enrollees under this chapter generally and 2
11 levels of benefits for enrollees under the Postal
12 Service Health Benefits Program established
13 under section 8903c”.

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

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

18 (b) COORDINATION WITH MEDICARE.—

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

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

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

24 “(i) a Postal Service employee;

1 “(ii) a Postal Service annuitant who is
2 not a Postal Service Medicare covered an-
3 nuitant; or

4 “(iii) a member of family of a Postal
5 Service employee or of a Postal Service an-
6 nuitant and who is not described in section
7 1837(o)(1) of this Act; and

8 “(B) enrolls in a Program plan under sec-
9 tion 8903c of title 5, United States Code,
10 such individual is deemed to be enrolled under this
11 part, regardless of whether such individual has filed
12 an application under subparagraph (A) or (C) of
13 subsection (a)(2).

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

16 “(A) in the case of an individual who is a
17 Postal Service employee or a Postal Service an-
18 nuitant who is eligible to become a Postal Serv-
19 ice 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 an individual who is eli-
24 gible to enroll under section 1818 or 1818A,
25 the date on which the individual attains such

1 eligibility or the date of enrollment in a Pro-
2 gram plan whichever is later; and

3 “(C) in the case of an individual who is de-
4 scribed in paragraph (1)(A)(iii) and is eligible
5 to become a covered Medicare individual, as of
6 the first date the individual becomes a covered
7 Medicare individual or the date of enrollment in
8 a Program plan, whichever is later.

9 “(3) The definitions in section 8903c(a) of title
10 5, United States Code, shall apply for purposes of
11 this subsection.

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

16 (2) MEDICARE PART B.—

17 (A) ENROLLMENT.—Section 1837 of the
18 Social Security Act (42 U.S.C. 1395p) is
19 amended by adding at the end the following
20 new subsection:

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

22 “(A) as of January 1, 2023, is—

23 “(i) a Postal Service Medicare covered
24 annuitant; or

1 “(ii) a member of family of a Postal
2 Service employee or of a Postal Service an-
3 nuitant and is a covered Medicare indi-
4 vidual;

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

8 “(C) is not enrolled under this part,
9 the individual may elect to be enrolled under this
10 part during a special enrollment period during the 3-
11 month period beginning on January 1, 2023.

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

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

14 “(i) a Postal Service employee;

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

18 “(iii) a member of family of a Postal
19 Service employee or of a Postal Service an-
20 nuitant and who is not described in para-
21 graph (1); and

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

1 the individual shall be deemed to have enrolled in
2 the medical insurance program established by this
3 part.

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

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

11 (B) COVERAGE PERIODS.—Section 1838 of
12 the Social Security Act (42 U.S.C. 1395q) is
13 amended by adding at the end the following
14 new subsection:

15 “(i) Notwithstanding subsection (a)—

16 “(1) in the case of an individual who enrolls
17 under this part pursuant to a special enrollment pe-
18 riod under paragraph (1) of section 1837(o), the
19 coverage period under this part shall begin on the
20 date that the individual first has coverage under the
21 Program plan pursuant to the enrollment described
22 in paragraph (1)(B) of such section; and

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

1 “(A) in the case of such an individual who
2 is a Postal Service employee or a Postal Service
3 annuitant who is eligible to become a Postal
4 Service Medicare covered annuitant, the date on
5 which the individual becomes a Postal Service
6 Medicare covered annuitant or the date of en-
7 rollment in a Program plan, whichever is later;

8 “(B) in the case of such an individual who
9 is eligible to enroll under section 1818 or
10 1818A of this Social Security Act, the date on
11 which the individual attains such eligibility or
12 the date of enrollment in a Program plan,
13 whichever is later; and

14 “(C) in the case of an individual described
15 in paragraph (2)(A)(i)(III) of such section who
16 is eligible to become a covered Medicare indi-
17 vidual, as of the first date the individual be-
18 comes a covered Medicare individual or the date
19 of enrollment in a Program plan, whichever is
20 later.”.

21 (3) PART D EGWP CONTRACTING CONFORMING
22 AMENDMENT.—Section 1860D–22(b) of the Social
23 Security Act (42 U.S.C. 1395w–132(b)) is amended
24 by inserting before the period at the end the fol-
25 lowing: “, and shall be applied in a manner to facili-

1 tate the offering of prescription drug benefits under
2 a Program plan under section 8903c of title 5,
3 United States Code, through employment-based re-
4 tiree health coverage through a prescription drug
5 plan, as required under subsection (f) of such sec-
6 tion, through contracts between such a Program
7 plan and such a prescription drug plan”.

8 (4) WAIVER OF INCREASE OF MEDICARE PART
9 B PREMIUM.—Section 1839(b) of the Social Security
10 Act (42 U.S.C. 1395r(b)) is amended by inserting
11 after “subsection (i)(4) or (l) of section 1837” the
12 following: “or pursuant to the special enrollment pe-
13 riod under subsection (o)(1) of such section”.

14 **SEC. 102. USPS FAIRNESS ACT.**

15 (a) SHORT TITLE.—This section may be cited as the
16 “USPS Fairness Act”.

17 (b) RATIONAL BENEFITS FUNDING AND ACCOUNT-
18 ING.—

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

22 “(d)(1) Not later than June 30, 2024, and by June
23 30 of each succeeding year, the Office shall compute, for
24 the most recently concluded fiscal year, the difference be-
25 tween—

1 “(A) any Government contributions re-
2 quired to be paid from the Fund under section
3 8906(g)(2)(A); and

4 “(B) the net claims costs under the enroll-
5 ment of the individuals described in section
6 8906(g)(2)(A).

7 “(2) Not later than September 30 of each year
8 in which the Office makes a computation under
9 paragraph (1), the United States Postal Service
10 shall pay into the Fund the difference computed in
11 such paragraph.

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

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

16 “(A) current annuitants of the United
17 States Postal Service as of the end of the fiscal
18 year ending on September 30 of the relevant re-
19 porting year; and

20 “(B) current employees of the United
21 States Postal Service who would, as of Sep-
22 tember 30 of that year,—

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

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

4 “(2) economic and actuarial methods and as-
5 sumptions consistent with the methods and assump-
6 tions used in determining the Postal surplus or sup-
7 plemental liability under section 8348(h); and

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

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

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

16 “(1) the sum of—

17 “(A) the costs incurred by a carrier in pro-
18 viding health services to, paying for health serv-
19 ices provided to, or reimbursing expenses for
20 health services provided to, annuitants of the
21 United States Postal Service and any other per-
22 sons covered under the enrollment of such an-
23 nuitants; and

24 “(B) an amount of indirect expenses rea-
25 sonably allocable to the provision, payment, or

1 reimbursement described in subparagraph (A),
2 as determined by the Office; and

3 “(2) the amount withheld from the annuity of
4 or paid by annuitants of the United States Postal
5 Service under section 8906.”.

6 (2) CLERICAL AMENDMENT.—The heading of
7 section 8909a of title 5, United States Code, is
8 amended by striking “**Benefit**” and inserting
9 “**Benefits**”.

10 (c) APPLICATION.—

11 (1) CANCELLATION OF PAYMENTS.—Any pay-
12 ment required from the Postal Service under section
13 8909a of title 5, United States Code, as in effect on
14 the day before the date of enactment of this Act that
15 remains unpaid as of such date of enactment is can-
16 celed.

17 (2) EFFECT OF THIS ACT.—In any determina-
18 tion relating to the future liability for retiree health
19 benefits of the United States Postal Service or the
20 Postal Service Retiree Health Benefits Fund, the
21 Office of Personnel Management shall take into ac-
22 count the actual and reasonably expected effects of
23 this Act.

24 (d) USE OF FUNDS FROM SALE OF REAL PROPERTY
25 FOR CERTAIN PAYMENTS.—

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

4 **“§ 2903. Use of funds from sale of property**

5 “In the event that the Postal Service permanently
6 ceases operations, any funds derived from the sale of any
7 real property owned by the Postal Service shall be used
8 to pay any outstanding liability with respect to the salaries
9 and expenses of any Postal Service employee. The balance
10 of any remaining funds shall be deposited into the Postal
11 Service Retiree Health Benefits Fund established under
12 section 8909a of title 5.”.

13 (2) CLERICAL AMENDMENT.—The table of sec-
14 tions of such chapter is amended by adding after the
15 item relating to section 2902 the following new item:

 “2903. Use of funds from sale of property.”.

16 **SEC. 103. NONPOSTAL SERVICES.**

17 (a) NONPOSTAL SERVICES.—

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

21 **“CHAPTER 37—NONPOSTAL SERVICES**

 “Sec.

 “3701. Purpose.

 “3702. Definitions.

 “3703. Postal Service program for State governments.

 “3704. Postal Service program for other Government agencies.

 “3705. Transparency and accountability for nonpostal services.

1 **“§ 3701. Purpose**

2 “The purpose of this chapter is to enable the Postal
3 Service to increase its net revenues through specific non-
4 postal products and services that are expressly authorized
5 by this chapter. Postal Service revenues and expenses
6 under this chapter shall be funded through the Postal
7 Service Fund.

8 **“§ 3702. Definitions**

9 “In this chapter—

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

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

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

17 **“§ 3703. Postal Service program for State govern-
18 ments**

19 “(a) IN GENERAL.—Notwithstanding any other pro-
20 vision of this title, the Postal Service may establish a pro-
21 gram to enter into agreements with an agency of any State
22 government, local government, or tribal government to
23 provide property and services on behalf of such agencies
24 for non-commercial products and services, but only if such
25 property and services—

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

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

6 “(A) the cost and efficiency of postal serv-
7 ices; and

8 “(B) unreasonably restricting access to
9 postal retail service, such as customer waiting
10 time and access to parking; and

11 “(3) provide a reasonable contribution to the in-
12 stitutional costs of the Postal Service, defined as re-
13 imbursement that covers at least 100 percent of at-
14 tributable costs of all property and services provided
15 under each relevant agreement in each year.

16 “(b) PUBLIC NOTICE.—At least 90 days before offer-
17 ing a service under the program, the Postal Service shall
18 make available to the public on its website—

19 “(1) the agreement with the agency regarding
20 such service; and

21 “(2) a business plan that describes the specific
22 service to be provided, the enhanced value to the
23 public, terms of reimbursement, the estimated an-
24 nual reimbursement to the Postal Service, and the
25 estimated percentage of attributable Postal Service

1 costs that will be covered by reimbursement (with
2 documentation to support the estimates).

3 “(c) PUBLIC COMMENT.—Before offering a service
4 under the program, the Postal Service shall provide for
5 a public comment period of at least 30 days that allows
6 the public to post comments relating to the provision of
7 such services on the Postal Service website. The Postal
8 Service shall make reasonable efforts to provide written
9 responses to the comments on such website at least 30
10 days before offering such services.

11 “(d) APPROVAL REQUIRED.—The Postal Service may
12 not establish the program under subsection (a) unless the
13 Governors of the Postal Service approve such program by
14 a recorded vote that is publicly disclosed on the Postal
15 Service website with a majority of the total Governors vot-
16 ing for approval.

17 “(e) APPLICATION OF REPORTING REQUIRE-
18 MENTS.—For purposes of the reporting requirements
19 under section 3705, the Postal Service shall submit a sep-
20 arate report for each agreement with an agency entered
21 into under subsection (a) analyzing the costs, revenues,
22 rates, and quality of service for the provision of all services
23 under such agreement, including information dem-
24 onstrating that the agreement satisfies the requirements
25 of paragraphs (1) through (3) of subsection (a).

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 “(g) DEFINITIONS.—For the purpose of this sec-
5 tion—

6 “(1) the term ‘local government’ means a coun-
7 ty, municipality, city, town, township, local public
8 authority, school district, special district, intrastate
9 district, council of governments, or regional or inter-
10 state government entity;

11 “(2) the term ‘State government’ includes the
12 government of the District of Columbia, the Com-
13 monwealth of Puerto Rico, the United States Virgin
14 Islands, Guam, American Samoa, the Common-
15 wealth of the Northern Mariana Islands, and any
16 other territory or possession of the United States;

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

21 “(4) the term ‘United States’, when used in a
22 geographical sense, means the States, the District of
23 Columbia, the Commonwealth of Puerto Rico, the
24 United States Virgin Islands, Guam, American
25 Samoa, the Commonwealth of the Northern Mariana

1 Islands, and any other territory or possession of the
2 United States.

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

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

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

9 **“§ 3704. Postal Service program for other Govern-
10 ment agencies**

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

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

1 onstrating that the agreement satisfies the requirements
2 of subsection (a).

3 **“§ 3705. Transparency and accountability for non-**
4 **postal services**

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

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

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

21 “(b) CONTENT AND FORM OF REPORT.—

22 “(1) IN GENERAL.—The Postal Regulatory
23 Commission shall, by regulation, prescribe the con-
24 tent and form of the report required under sub-

1 section (a). In prescribing such regulations, the
2 Commission shall give due consideration to—

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

5 “(B) avoiding unnecessary or unwarranted
6 administrative effort and expense on the part of
7 the Postal Service; and

8 “(C) protecting the confidentiality of infor-
9 mation that is commercially sensitive or is ex-
10 empt from public disclosure under section
11 552(b) of title 5.

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

17 “(A) the attribution of costs or revenues to
18 property or services under this chapter has be-
19 come significantly inaccurate or can be signifi-
20 cantly improved;

21 “(B) the quality of service data provided to
22 the Commission for a report under this chapter
23 has become significantly inaccurate or can be
24 significantly improved; or

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

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

10 “(d) CONFIDENTIAL INFORMATION.—

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

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

1 subject to paragraphs (2) and (3) of section 504(g)
2 in the same way as if the Commission had received
3 notification with respect to such matter under sec-
4 tion 504(g)(1).

5 “(e) ANNUAL COMPLIANCE DETERMINATION.—

6 “(1) OPPORTUNITY FOR PUBLIC COMMENT.—

7 Upon receiving a report required under subsection
8 (a), the Postal Regulatory Commission shall prompt-
9 ly—

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

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

14 “(2) DETERMINATION OF COMPLIANCE OR NON-
15 COMPLIANCE.—Not later than 90 days after receiv-
16 ing a report required under subsection (a), the Post-
17 al Regulatory Commission shall make a written de-
18 termination as to whether the nonpostal activities
19 carried out during the applicable year were or were
20 not in compliance with the provisions of this chapter.
21 For purposes of this paragraph, any case in which
22 the requirements for coverage of attributable costs
23 have not been met shall be considered to be a case
24 of noncompliance. If, with respect to a year, no in-
25 stance of noncompliance is found to have occurred,

1 the determination shall be to that effect. Such deter-
2 mination of noncompliance shall be included with the
3 annual compliance determination required under sec-
4 tion 3653.

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

18 “(4) DELIBERATE NONCOMPLIANCE.—In the
19 case of deliberate noncompliance by the Postal Serv-
20 ice with the requirements of this chapter, the Postal
21 Regulatory Commission may order, based on the na-
22 ture, circumstances, extent, and seriousness of the
23 noncompliance, a fine (in the amount specified by
24 the Commission in its order) for each incidence of
25 such noncompliance. All receipts from fines imposed

1 under this subsection shall be deposited in the gen-
2 eral fund of the Treasury.

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

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

“37. Nonpostal services 3701”.

10 (b) CONFORMING AMENDMENTS.—

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

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

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

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

22 “(A) to continue to provide licensed mailing,
23 shipping, or stationery supplies offered as of June
24 23, 2011; or

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

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

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

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

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

24 (A) by striking subsections (b), (d), and
25 (e); and

1 (B) by redesignating—
2 (i) subsection (c) as subsection (b);
3 and
4 (ii) subsections (f), (g), (h), and (i) as
5 subsections (c), (d), (e), and (f), respec-
6 tively.

7 **TITLE II—POSTAL SERVICE** 8 **OPERATIONAL REFORMS**

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

10 Subchapter VII of chapter 36 of title 39, United
11 States Code, is amended by inserting after section 3691
12 the following:

13 **“§ 3692. Performance Targets and Transparency**

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

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

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

1 “(b) PUBLIC PERFORMANCE DASHBOARD.—

2 “(1) IN GENERAL.—The Postal Service shall
3 develop and maintain a publicly available Website
4 with an interactive web-tool that provides perform-
5 ance information of market-dominant products that
6 is updated on a weekly basis.

7 “(2) PERFORMANCE INFORMATION.—The per-
8 formance information provided on the Website shall
9 include—

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

11 “(B) geographic area at the nationwide,
12 Area, and District level;

13 “(C) time periods showing performance in-
14 formation in annual, quarterly, monthly, and
15 weekly segments;

16 “(D) comparisons of performance of mar-
17 ket-dominant product results for previous time
18 periods to facilitate identification of perform-
19 ance trends; and

20 “(E) the current performance targets and
21 previous fiscal year performance targets, estab-
22 lished under subsection (a)(1).

23 “(3) COMPREHENSIBILITY.—The Website shall
24 include plain language descriptions of the elements
25 required under paragraph (2) and information on

1 the collection process, measurement methodology,
2 completeness, accuracy, and validity of the perform-
3 ance information provided on the Website.

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

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

10 “(A) in a manner that—

11 “(i) presents the information ref-
12 erenced under paragraph (2) on an inter-
13 active dashboard;

14 “(ii) is searchable and may be sorted
15 and filtered by the elements described in
16 paragraph (2); and

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

19 “(I) such performance informa-
20 tion; and

21 “(II) the results of a search by
22 the elements described in paragraph
23 (2);

1 “(B) in an open format that permits any
2 individual or entity to reuse and analyze the
3 performance information; and

4 “(C) in a structured data format, to the
5 extent practicable.

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

10 “(7) PUBLIC INPUT.—The Postal Service
11 shall—

12 “(A) solicit public input on the design and
13 implementation of the Website; and

14 “(B) maintain a public feedback tool, to
15 ensure features of, and information on, the
16 Website is usable and understandable.

17 “(8) DEADLINE.—The Website shall be imple-
18 mented and made available to the public not later
19 than the date on which the performance targets are
20 provided to the Postal Regulatory Commission under
21 subsection (a)(1).

22 “(9) AVAILABILITY.—A link and plain language
23 description of the Website shall be made available on
24 the website where the performance targets and

1 measurements established under subsection (a)(1)
2 are made available.

3 “(10) REPORTING.—The dashboard referred to
4 in paragraph (5)(A)(i) shall be referenced in the An-
5 nual Performance Plan under section 2803, the An-
6 nual Performance Report under section 2804, and
7 the Annual Report under section 2402.

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

9 “(A) PERFORMANCE INFORMATION.—The
10 term ‘performance information’ means the ob-
11 jective external performance measurements es-
12 tablished under section 3691(b)(1)(D).

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

15 **SEC. 202. INTEGRATED DELIVERY NETWORK.**

16 Section 101(b) of title 39, United States Code, is
17 amended by inserting before “The Postal Service” the fol-
18 lowing: “The Postal Service shall maintain an integrated
19 network for the delivery of market-dominant and competi-
20 tive products (as defined in chapter 36 of this title). Deliv-
21 ery shall occur, to the maximum extent practicable, at
22 least six days a week, except during weeks that include
23 a Federal holiday.”.

1 **SEC. 203. REVIEW OF POSTAL SERVICE COST ATTRIBUTION**
2 **GUIDELINES.**

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

17 **SEC. 204. RURAL NEWSPAPER SUSTAINABILITY.**

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

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

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

25 “(d)(1) Not later than September 1 of each fiscal
26 year (beginning with fiscal year 2022), the Postal Regu-

1 latory Commission shall submit to the Postal Service a
2 budget of the Commission's expenses, including expenses
3 for facilities, supplies, compensation, and employee bene-
4 fits, for the following fiscal year. Any such budget shall
5 be deemed approved as submitted if the Governors fail to
6 adjust the budget in accordance with paragraph (2).

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

14 “(B) If the Governors adjust the budget under sub-
15 paragraph (A), the Postal Regulatory Commission shall
16 adjust the suballocations within such budget to reflect the
17 total adjustment made by the Governors. The budget shall
18 be deemed approved on the date the Commission makes
19 any such adjustments. The Commission may make further
20 adjustments to the suballocations within such budget as
21 necessary.

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

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

3 (1) in section 2003(e), by striking “(B) all ex-
4 penses of the Postal Regulatory Commission, subject
5 to the availability of amounts appropriated under
6 section 504(d);” and inserting “(B) all expenses of
7 the Postal Regulatory Commission, pursuant to sec-
8 tion 504(d);”; and

9 (2) in section 2009—

10 (A) by striking “, (2)” and inserting “,
11 and (2)”;

12 (B) by striking “, and (3) the Postal Regu-
13 latory Commission requests to be appropriated,
14 out of the Postal Service Fund, under section
15 504(d) of this title”.

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

17 (a) FLATS OPERATIONS STUDY.—

18 (1) IN GENERAL.—The Postal Regulatory Com-
19 mission, in consultation with the Inspector General
20 of the United States Postal Service, shall conduct a
21 study to—

22 (A) comprehensively identify the causes of
23 inefficiencies in the collection, sorting, transpor-
24 tation, and delivery of Flats; and

1 (B) quantify the effects of the volume
2 trends, investments decisions, excess capacity,
3 and operational inefficiencies of the Postal
4 Service on the direct and indirect costs of the
5 Postal Service that are attributable to Flats.

6 (2) **POSTAL SERVICE ASSISTANCE.**—For the
7 purposes of carrying out the study under paragraph
8 (1), the Postal Service shall, upon request by the
9 Postal Regulatory Commission, consult with the
10 Postal Regulatory Commission and provide—

11 (A) access to Postal Service facilities to
12 personnel of the Postal Regulatory Commission;
13 and

14 (B) information and records necessary to
15 conduct such study.

16 (3) **REPORT.**—Not later than 180 days after
17 the date of the enactment of this Act, the Postal
18 Regulatory Commission shall submit to Congress
19 and the Postmaster General a report on the findings
20 of the study conducted under paragraph (1).

21 (4) **FLATS DEFINED.**—In this subsection, the
22 term “Flats” means products that meet the physical
23 standards described in the Domestic Mail Manual
24 (as in effect on the date of the enactment of this
25 Act) for Flats mail for any class of mail.

1 (b) FLATS OPERATIONS REFORM.—

2 (1) IN GENERAL.—Not later than six months
3 after the date on which the Postal Regulatory Com-
4 mission submits the report described in subsection
5 (a)(2), the Postal Service shall—

6 (A) develop and implement a plan to rem-
7 edy each inefficiency identified in the study con-
8 ducted under subsection (a)(1) to the extent
9 practicable; and

10 (B) if the Postal Service determines that
11 remedying any such inefficiency is not prac-
12 ticable, provide to Congress and the Postal Reg-
13 ulatory Commission an explanation why rem-
14 edying such inefficiency is not practicable, in-
15 cluding whether it may become practicable to
16 remedy such inefficiency at a later time.

17 (2) IMPLEMENTATION REQUIREMENTS.—Prior
18 to implementing the plan described in paragraph
19 (1)—

20 (A) the Postal Regulatory Commission
21 must approve the plan; and

22 (B) the Postal Service shall provide an
23 adequate opportunity for public comment on the
24 plan.

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

7 (c) SUBSEQUENT RATE ADJUSTMENTS.—During the
8 five-year period beginning on the date on which the Post-
9 master General submits the notice under subsection
10 (b)(3), the Postal Service shall consider the findings of
11 the report described in subsection (a)(2) and the efficacy
12 of the plan described in subsection (b)(1) in remedying
13 the inefficiencies identified in the study conducted under
14 subsection (a)(1) when making any adjustment to the rate
15 of a market-dominant product (as defined in section 102
16 of title 39, United States Code).

17 **SEC. 207. REPORTING REQUIREMENTS.**

18 (a) IN GENERAL.—Not later than six months after
19 the date of the enactment of this Act, and every six
20 months thereafter, the Postmaster General shall submit
21 to the President, the Postal Regulatory Commission, the
22 Committee on Homeland Security and Governmental Af-
23 fairs of the Senate, and the Committee on Oversight and
24 Reform of the House of Representatives a report on the
25 operations and financial condition of the Postal Service

1 during the six-month period ending on the date on which
2 the Postmaster General submits such report.

3 (b) CONTENTS.—Each report submitted under this
4 section shall include updates, details of changes from pre-
5 vious standards and requirements, and assessments of
6 progress being made on the operations and financial con-
7 dition of the Postal Service , including—

8 (1) the actual mail and package volume growth
9 relative to any mail or package volume growth pro-
10 jections previously made or relied upon by the Postal
11 Service, including a discussion of the reasons for the
12 differences in projections and the associated adjust-
13 ments being made in order to accommodate any
14 such differences;

15 (2) the effect of pricing changes on product vol-
16 ume for market-dominant and competitive products,
17 and associated revenue effects on financial projec-
18 tions, including a discussion of the reasons behind
19 the differences in projections and associated adjust-
20 ments being made;

21 (3) customer use of network distribution cen-
22 ters and processing and distribution centers, and as-
23 sociated costs and revenue effects;

24 (4) the status of, and any substantial pro-
25 grammatic changes to, the USPS Connect program

1 relative to previous plans by the Postal Service, in-
2 cluding online sales and customer expectations re-
3 garding shipping speeds and shopping preferences
4 relative to projections, as well as associated imple-
5 mentation costs and revenue effects on the financial
6 projects;

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

14 (6) the use of USPS Connect Returns service
15 among customers, and associated implementation
16 costs and revenue effects;

17 (7) the use of USPS E-Commerce Marketplace
18 among customers, and associated implementation
19 costs and revenue effects;

20 (8) updates on the reliability, efficiency, and
21 cost-effectiveness of the transportation network, in-
22 cluding the manner in which ground transportation
23 is utilized over air transportation for types of prod-
24 ucts;

1 (9) a review of efforts to enhance employee
2 training, safety, and wellbeing, including associated
3 effects on employee recruitment, satisfaction, and re-
4 tention;

5 (10) a review of efforts being made to improve
6 employee allocation, including changes of non-career
7 employees to career status, and any associated im-
8 pacts to operational expenses and processing, trans-
9 portation, and delivery efficiency;

10 (11) the rate of planned investment into Postal
11 Service processing, transportation, and delivery
12 equipment and infrastructure for market-dominant
13 and competitive products, and a review of any asso-
14 ciated effects on operational expenses and efficiency;

15 (12) changes to network distribution centers
16 and the expansion of regional distribution centers,
17 including costs associated with the changes and any
18 realized reduction in operational expenses or im-
19 proved resource efficiencies;

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

23 (14) a discussion of the progress of the Postal
24 Service in achieving any new, self-funded invest-
25 ments, including the amounts realized and expended

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

6 (15) any other information the Postal Service
7 determines relevant, such as barriers or unantici-
8 pated events, in order to help the Postal Regulatory
9 Commission, Congress, the President, and the Amer-
10 ican public evaluate the success or difficulties faced
11 by the Postal Service in implementing the reform
12 plan.

13 (c) CONFIDENTIAL INFORMATION.—

14 (1) IN GENERAL.—The report required under
15 this subsection shall be submitted in a form that ex-
16 cludes any proprietary or confidential information
17 and trade secrets.

18 (2) NOTIFICATION.—If the Postal Service de-
19 termines that any information must be excluded
20 under paragraph (1), the Postal Service shall, at the
21 time of submitting the report, notify the President,
22 the Committee on Oversight and Reform of the
23 House of Representatives, the Committee on Home-
24 land Security and Governmental Affairs of the Sen-
25 ate, and the Postal Regulatory Commission in writ-

1 ing of its determination and describe in detail the in-
2 formation for which confidentiality is sought and the
3 reasons therefor.

4 (3) ANNEXES.—The Postal Service shall submit
5 to the persons and entities notified under paragraph
6 (2) any information excluded under paragraph (1) in
7 an annex that shall be treated as confidential in ac-
8 cordance with paragraph (4).

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

12 (A) use such information for purposes
13 other than the purposes for which it is supplied;
14 or

15 (B) permit any person or entity other than
16 a person or entity notified under paragraph (2),
17 or the staff thereof, to have access to any such
18 information.

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

22 **SEC. 208. POSTAL SERVICE TRANSPORTATION SELECTION**
23 **POLICY REVISIONS.**

24 Section 101(f) of title 39, United States Code, is
25 amended—

1 (1) by striking “prompt and economical” and
2 inserting “prompt, economical, consistent, and reli-
3 able”;

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

7 (3) by inserting “cost-effective” after “to
8 achieve”; and

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

10 **SEC. 209. USPS INSPECTOR GENERAL OVERSIGHT OF POST-**
11 **AL REGULATORY COMMISSION.**

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

14 (1) in subsection (a)(2), by striking “the 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
22 the United States Postal Service shall function as
23 the Inspector General for the Postal Regulatory
24 Commission, and shall have oversight authority over
25 the Commission as if the Commission were part of

1 the United States Postal Service. The Commission
2 shall comply with the Inspector General’s oversight
3 as if the Commission were a designated Federal en-
4 tity under paragraph (a)(2) of this section.”.

5 (b) SAVINGS PROVISION.—

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

14 (2) PROCEEDINGS.—This section and the
15 amendments made by this section shall not affect
16 any proceeding pending on the effective date of this
17 section before an office transferred by either such
18 subsection, but such proceeding shall be continued.
19 Nothing in this paragraph shall be considered to
20 prohibit the discontinuance or modification of any
21 such proceeding under the same terms and condi-
22 tions and to the same extent that such proceeding
23 could have been discontinued or modified if this sec-
24 tion 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 com-
3 menced before the effective date of this section, and
4 in any such suit, proceeding shall be had, appeals
5 taken, and judgments rendered in the same manner
6 and with the same effect as if this section or such
7 amendments had not been enacted.

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

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

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