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
4 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
5 (a) Short Title.—This Act may be cited as the
6 “Postal Service Reform Act of 2021”.
7 (b) Table of Contents.—The table of contents of
8 this Act is as follows:
9
10 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. 203. Review of postal service cost attribution guidelines.
Sec. 204. Rural newspaper sustainability.
Sec. 205. Funding of postal regulatory commission.
Sec. 206. Flats operations study and reform.
Sec. 207. Reporting requirements.
Sec. 208. Postal service transportation selection policy revisions.
Sec. 209. USPS Inspector General oversight of Postal Regulatory Commission.

TITLE I—POSTAL SERVICE FINANCIAL REFORMS

SEC. 101. POSTAL SERVICE HEALTH BENEFITS PROGRAM.

(a) ESTABLISHMENT.—

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

§8903c. Postal service health benefits program

“(a) DEFINITIONS.—In this section—

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

“(2) the term ‘initial contract year’ means the contract year beginning in January of 2023;
“(3) the term ‘initial participating carrier’ means a carrier that enters into a contract with the Office to participate in the Postal Service Health Benefits Program during the initial contract year;

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

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

“(6) the term ‘Office’ means the Office of Personnel Management;

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

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

“(9) the term ‘Postal Service employee’ means an employee of the Postal Service enrolled in a health benefits plan under this chapter whose Government contribution is paid by the Postal Service;

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

“(A) is a Postal Service annuitant; and
“(B) is a covered Medicare individual;
“(11) the term ‘Program’ means the Postal Service Health Benefits Program established under subsection (e) within the Federal Employees Health Benefit Program;
“(12) the term ‘Program plan’ means a health benefits plan offered under the Program; and
“(13) the terms set forth in section 8901 shall apply.
“(b) APPLICATION.—The requirements under this section shall—
“(1) apply to the initial contract year and each contract year thereafter; and
“(2) supersede any other provision of this chapter inconsistent with such requirements, as determined by the Office of Personnel Management.
“(c) ESTABLISHMENT OF THE POSTAL SERVICE HEALTH BENEFITS PROGRAM.—
“(1) IN GENERAL.—The Office shall establish the Postal Service Health Benefits Program under which the Office contracts with carriers to offer health benefits plans as described under this section.
Except as otherwise provided in this section, any such contract shall be consistent with the requirements of this chapter for contracts under section
8902 with carriers to offer health benefits plans other than under this section. The Program shall—

“(A) to the greatest extent practicable, include plans offered by—

“(i) each carrier for which the total enrollment in the plans provided under this chapter includes, in the contract year beginning in January 2022, 1,500 or more enrollees who are Postal Service employees or Postal Service annuitants; and

“(ii) any other carrier determined appropriate by the Office;

“(B) be available for participation by Postal Service employees and Postal Service annuitants, in accordance with subsection (d);

“(C) provide for enrollment in a plan as an individual, for self plus one, or for self and family; and

“(D) not be available for participation by an individual who is not a Postal Service employee or Postal Service annuitant (except as a member of family of such an employee or annuitant or as provided under paragraph (5)).

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

The Office shall ensure that each Program plan in-
cludes rates that reasonably and equitably reflect the
cost of benefits provided to a risk pool consisting
solely of Postal Service employees, Postal Service an-
nuitants, and covered members of family of such em-
ployees and annuitants (regardless of the health
plan, coverage, or benefit program in which such an
employee, annuitant, or member of family is en-
rolled), taking into specific account the change in
benefits cost for the Program plan due to the Medi-
care enrollment requirements under subsection (e)
and any savings or subsidies resulting from sub-
section (f).

“(3) Actuarially Equivalent Coverage.—
The Office shall ensure that each carrier partici-
pating in the Postal Service Health Benefits Pro-
gram provides coverage under the Program plans of-
fered by the carrier that is actuarially equivalent, as
determined by the Office, to the coverage that the
carrier provides under the health benefits plans of-
fered by the carrier under this chapter that are not
Program plans.

“(4) Applicability of Federal Employees
Health Benefits Program Requirements.—Ex-
cept as otherwise set forth in this section, all provi-
sions of this chapter applicable to health benefits
plans offered by carriers under section 8903 or
8903a shall apply to plans offered under the Pro-
gram.

“(5) Application of continuation cov-
erage.—In accordance with rules established by the
Office, section 8905a shall apply to health benefits
plans offered under this section in the same manner
as such section applies to other health benefits plans
offered under this chapter.

“(d) Election of Coverage.—

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

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

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

“(2) Exceptions.—

“(A) Lack of geographic coverage.—
An individual who is a Postal Service employee
or Postal Service annuitant may enroll in a
health benefits plan offered under any other
section of this chapter if the individual resides
in a geographic area for which there is not a Program plan in which the individual may enroll.

“(B) ANNUITANTS AS OF PROGRAM INCEPTION.—

“(i) CURRENT MEDICARE COVERED ANNUITANTS.—

“(I) IN GENERAL.—Subject to subclause (II), in the case of an individual who, as of January 1, 2023, is a Postal Service Medicare covered annuitant who has not enrolled in both Medicare part A and Medicare part B, such individual may enroll in a health benefits plan offered under any other section of this chapter, and may not enroll in a Program plan.

“(II) PROGRAM PLAN ENROLLMENT FOLLOWING MEDICARE PARTS A AND B ENROLLMENT.—In the case of an individual described in subclause (I) who subsequent to January 1, 2023, is enrolled in both Medicare part A and Medicare part B, beginning with the first contract year be-
ginning after the date such individual is enrolled in both Medicare part A and Medicare part B, subclause (I) shall no longer apply to such individual and such individual may receive health benefits under this chapter only through a Program plan.

“(ii) PRE-MEDICARE ANNUITANTS.—

“(I) IN GENERAL.—Subject to subclause (II), an individual who, as of January 1, 2023, is a Postal Service annuitant and is not a Postal Service Medicare annuitant (for a reason other than eligibility to enroll in Medicare part A under section 1818 or 1818A of the Social Security Act) may enroll in either a Program plan or in a health benefits plan offered under any other section of this chapter.

“(II) EXCEPTION.—In the case of an individual described in subclause (I) who enrolls in a Program plan for any contract year beginning on or after the date on which the individual...
becomes a Postal Service Medicare covered annuitant, beginning with such contract year, subclause (I) shall no longer apply to the individual and the individual may receive health benefits under this chapter only through enrollment in a Program plan.

“(C) Certain employees as of program inception.—

“(i) Legacy coverage.—A Postal Service employee who is enrolled in a health benefits plan under this chapter for the contract year immediately preceding the initial contract year that is not a health benefits plan offered by an initial participating carrier may enroll in either a Program plan or in a health benefits plan offered under any other section of this chapter, except that—

“(I) if the Postal Service employee changes enrollment to a different health benefits plan under this chapter during the open season for the initial contract year, or after the start of the initial contract year, the
Postal Service employee may only enroll in a Program plan;

“(II) if the health benefits plan in which such employee is enrolled for such contract year becomes available as a Program plan, the Postal Service employee may only enroll in a Program plan; and

“(III) upon becoming a Postal Service annuitant, if the Postal Service employee elects to continue coverage under this chapter, the Postal Service employee shall enroll in a Program plan during the open season that is—

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

“(bb) if the date on which the Postal Service employee becomes a Postal Service annuitant falls outside of an open season, the first open season following that date.
“(ii) Current Employees Aged 64 and Over.—

“(I) In General.—Subject to subclause (II), an individual who, as of January 1, 2023, is a Postal Service employee and is at least 64 years of age may enroll in either a Program plan or in a health benefits plan offered under any other section of this chapter.

“(II) Exception.—In the case of an individual described in subclause (I) who enrolls in a Program plan for any contract year beginning on or after the date on which the individual becomes a Postal Service Medicare covered annuitant, beginning with such contract year, subclause (I) shall no longer apply to the individual and the individual may receive health benefits under this chapter only through enrollment in a Program plan.

“(D) Certain Other Annuities.—
“(i) ANNUITANTS AND FAMILY MEMBERS EXCLUDED FROM PREMIUM-FREE MEDICARE PART A.—

“(I) IN GENERAL.—Subject to subclause (II), a Postal Service annuitant who is eligible to enroll in Medicare Part A under section 1818 or 1818A of the Social Security Act may enroll in either a Program plan or in a health benefits plan offered under any other section of this chapter if the annuitant—

“(aa) is eligible to enroll in Medicare part A under section 1818 or 1818A of the Social Security Act; or

“(bb) includes in the annuitant’s plan enrollment one or more family members who are eligible to enroll in Medicare part A under section 1818 or 1818A of such Act.

“(II) EXCEPTION.—In the case of an annuitant described in subclause (I) who enrolls in a Program plan for
any contract year beginning on or after the date on which the annuitant or any member of family covered by the enrollment becomes eligible to enroll in Medicare part A, beginning with such contract year, subclause (I) shall no longer apply to the annuitant and the annuitant may receive health benefits under this chapter only through enrollment in a Program plan.

“(ii) LIMITED OR REDUNDANT COVERAGE.—An individual who is a Postal Service annuitant may enroll either in a Program plan (subject to subsection (e) of this section and to sections 226(j) and 1837(o)(2) of the Social Security Act) or in a health benefits plan offered under any other section of this chapter for any contract year in which the annuitant or member of family covered by the enrollment, respectively, is a covered Medicare individual and—

“(I) the annuitant or family member, respectively, resides in an
area where the Office has determined that no Medicare providers are available;

“(II) the annuitant receives comprehensive medical coverage provided by the Department of Veterans Affairs under subchapter II of chapter 17 of title 38, United States Code; or

“(III) the annuitant receives comprehensive medical coverage provided by the Indian Health Service under the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.).

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

“(e) Requirement of Medicare Enrollment for Certain Annuitants and Their Family Members.—
“(1) ANNUITANTS.—Except as provided under subsection (d)(2), a Postal Service Medicare covered annuitant may not enroll under a Program plan unless the annuitant is enrolled in both Medicare part A and Medicare part B.

“(2) MEDICARE COVERED FAMILY MEMBERS.—In the case of a Postal Service annuitant who is required under this subsection to enroll in Medicare part A and Medicare part B to enroll under the Program, if a member of family of such Postal Service annuitant is a covered Medicare individual or is eligible to enroll in Medicare Part A under section 1818 or 1818A of the Social Security Act, that member of family may not enroll under the Program as a member of family of the Postal Service annuitant unless that member of family is enrolled in both Medicare part A and Medicare part B.

“(3) PROCESS FOR COORDINATED ELECTION OF MEDICARE ENROLLMENT.—The Office shall establish a process under which—

“(A) Postal Service annuitants and members of family who are subject to the requirements of paragraph (1) or (2)—
“(i) are informed, prior to enrollment under this section, of such requirement; and

“(ii) receive requests for any additional information necessary for enrollment in writing; and

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

“(f) Medicare Coordination.—
“(1) IN GENERAL.—The Office shall require each Program plan to provide benefits for covered Medicare individuals (and individuals eligible to enroll in Medicare part A pursuant to section 1818 or 1818A of the Social Security Act) pursuant to the same coordination of benefits method used in connection with plans offered under any other section of this chapter.

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

“(g) POSTAL SERVICE CONTRIBUTION.—

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

“(A) enrollments for self only;

“(B) enrollments for self plus one; and

“(C) enrollments for self and family.

“(3) **Weighting in computing rates for initial contract year.**—In determining such weighted average of the rates for the initial contract year, the Office shall take into account (for purposes of section 8906(a)(2)) the enrollment of Postal Service employees and annuitants in the health benefits plans offered by the initial participating carriers as of March 31, 2022.

“(h) **Reserves.**—

“(1) **Separate reserves.**—

“(A) **In general.**—The Office shall ensure that each Program plan maintains separate reserves (including a separate contingency reserve) with respect to the enrollees in the Program plan in accordance with section 8909. All provisions of section 8909 relating to con-
tingency reserves shall apply to contingency re-
erves of Program plans in the same manner as
to those of other plans under this chapter, ex-
cept to the extent that such provisions are in-
consistent with the requirements of this sub-
section.

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

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

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

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

“(j) Health Benefits Education Program.—

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

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

“(B) provide information regarding the Postal Service Health Benefits Program to such annuitants and employees, including a description of the health care options available under such Program, the enrollment provisions of subsection (d), and the requirement that annuitants and their family members be enrolled in Medicare under subsection (e); and

“(C) in coordination with the Centers for Medicare & Medicaid Services and the Commissioner of Social Security, respond and provide answers to any inquiry from such employees and annuitants about the Postal Service Health Benefits Program or Medicare enrollment.
“(2) The Office shall timely provide the Postal Service with such information as the Postal Service determines to be necessary to conduct the Medicare Education Program.”.

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

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

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

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

(b) COORDINATION WITH MEDICARE.—

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

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

“(A) on or after January 1, 2023, is—

“(i) a Postal Service employee;
“(ii) a Postal Service annuitant who is not a Postal Service Medicare covered annuitant; or

“(iii) a member of family of a Postal Service employee or of a Postal Service annuitant and who is not described in section 1837(o)(1) of this Act; and

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

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

“(A) in the case of an individual who is a Postal Service employee or a Postal Service annuitant who is eligible to become a Postal Service Medicare covered annuitant, the date on which the individual becomes a Postal Service Medicare covered annuitant or the date of enrollment in a Program plan, whichever is later;

“(B) in the case of an individual who is eligible to enroll under section 1818 or 1818A, the date on which the individual attains such
eligibility or the date of enrollment in a Program plan whichever is later; and

“(C) in the case of an individual who is described in paragraph (1)(A)(iii) and is eligible to become a covered Medicare individual, as of the first date the individual becomes a covered Medicare individual or the date of enrollment in a Program plan, whichever is later.

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

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

(2) MEDICARE PART B.—

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

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

“(A) as of January 1, 2023, is—

“(i) a Postal Service Medicare covered annuitant; or
“(ii) a member of family of a Postal Service employee or of a Postal Service annuitant and is a covered Medicare individual;

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

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

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

“(A) on or after January 1, 2023, is—

“(i) a Postal Service employee;

“(ii) a Postal Service annuitant who is not a Postal Service Medicare covered annuitant; or

“(iii) a member of family of a Postal Service employee or of a Postal Service annuitant and who is not described in paragraph (1); and

“(B) enrolls in a Program plan under section 8903c of title 5, United States Code;
the individual shall be deemed to have enrolled in
the medical insurance program established by this
part.

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

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

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

“(i) Notwithstanding subsection (a)—

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

“(2) in the case of an individual who is deemed
enrolled under paragraph (2) of section 1837(o), the
coverage period under this part shall begin as of—
“(A) in the case of such an individual who is a Postal Service employee or a Postal Service annuitant who is eligible to become a Postal Service Medicare covered annuitant, the date on which the individual becomes a Postal Service Medicare covered annuitant or the date of enrollment in a Program plan, whichever is later;

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

“(C) in the case of an individual described in paragraph (2)(A)(i)(III) of such section who is eligible to become a covered Medicare individual, as of the first date the individual becomes a covered Medicare individual or the date of enrollment in a Program plan, whichever is later.”.

(3) PART D EGWP CONTRACTING CONFORMING AMENDMENT.—Section 1860D–22(b) of the Social Security Act (42 U.S.C. 1395w–132(b)) is amended by inserting before the period at the end the following: “, and shall be applied in a manner to facili-
state the offering of prescription drug benefits under a Program plan under section 8903c of title 5, United States Code, through employment-based retiree health coverage through a prescription drug plan, as required under subsection (f) of such section, through contracts between such a Program plan and such a prescription drug plan”.

(4) **Waiver of Increase of Medicare Part B Premium.**—Section 1839(b) of the Social Security Act (42 U.S.C. 1395r(b)) is amended by inserting after “subsection (i)(4) or (l) of section 1837” the following: “or pursuant to the special enrollment period under subsection (o)(1) of such section”.

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

(a) **Short Title.**—This section may be cited as the “USPS Fairness Act”.

(b) **Rational Benefits Funding and Accounting.**—

(1) **In General.**—Section 8909a of title 5, United States Code, is amended by striking subsection (d) and inserting the following:

“(d)(1) Not later than June 30, 2024, and by June 30 of each succeeding year, the Office shall compute, for the most recently concluded fiscal year, the difference between—
“(A) any Government contributions required to be paid from the Fund under section 8906(g)(2)(A); and

“(B) the net claims costs under the enrollment of the individuals described in section 8906(g)(2)(A).

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

“(e) Any computation of the liability of the Fund required by law shall be based on—

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

“(A) current annuitants of the United States Postal Service as of the end of the fiscal year ending on September 30 of the relevant reporting year; and

“(B) current employees of the United States Postal Service who would, as of September 30 of that year,—

“(i) be eligible to become annuitants pursuant to section 8901(3)(A); and
“(ii) if they were retired as of that
date, meet the criteria for coverage of an-
nuitants under section 8905(b);

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

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

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

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

“(1) the sum of—

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

“(B) an amount of indirect expenses rea-
sonably allocable to the provision, payment, or
reimbursement described in subparagraph (A),
as determined by the Office; and
“(2) the amount withheld from the annuity of
or paid by annuitants of the United States Postal
Service under section 8906.”.

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

(c) APPLICATION.—

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

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

(d) USE OF FUNDS FROM SALE OF REAL PROPERTY
FOR CERTAIN PAYMENTS.—
(1) IN GENERAL.—Chapter 29 of title 39, United States Code, is amended by adding at the end the following:

“§ 2903. Use of funds from sale of property

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

(2) CLERICAL AMENDMENT.—The table of sections of such chapter is amended by adding after the item relating to section 2902 the following new item:

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

SEC. 103. NONPOSTAL SERVICES.

(a) NONPOSTAL SERVICES.—

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

“CHAPTER 37—NONPOSTAL SERVICES
§ 3701. Purpose

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

§ 3702. Definitions

“In this chapter—

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

“(2) the term ‘attributable costs’ has the meaning given such term in section 3631; and

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

§ 3703. Postal Service program for State governments

“(a) IN GENERAL.—Notwithstanding any other provision of this title, the Postal Service may establish a program to enter into agreements with an agency of any State government, local government, or tribal government to provide property and services on behalf of such agencies for non-commercial products and services, but only if such property and services—
“(1) provide enhanced value to the public, such as by lowering the cost or raising the quality of such services or by making such services more accessible;

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

“(A) the cost and efficiency of postal services; and

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

“(3) provide a reasonable contribution to the institutional costs of the Postal Service, defined as reimbursement that covers at least 100 percent of attributable costs of all property and services provided under each relevant agreement in each year.

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

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

“(2) a business plan that describes the specific service to be provided, the enhanced value to the public, terms of reimbursement, the estimated annual reimbursement to the Postal Service, and the estimated percentage of attributable Postal Service
costs that will be covered by reimbursement (with
documentation to support the estimates).

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

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

“(e) APPLICATION OF REPORTING REQUIRE-
MENTS.—For purposes of the reporting requirements
under section 3705, the Postal Service shall submit a sep-
arate report for each agreement with an agency entered
into under subsection (a) analyzing the costs, revenues,
rates, and quality of service for the provision of all services
under such agreement, including information dem-
onstrating that the agreement satisfies the requirements
of paragraphs (1) through (3) of subsection (a).
“(f) REGULATIONS REQUIRED.—The Postal Regulatory Commission shall issue such regulations as are necessary to carry out this section.

“(g) DEFINITIONS.—For the purpose of this section—

“(1) the term ‘local government’ means a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments, or regional or interstate government entity;

“(2) the term ‘State government’ includes the government of the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States;

“(3) the term ‘tribal government’ means the government of an Indian tribe, as that term is defined in section 4(e) of the Indian Self-Determination Act (25 U.S.C. 450b(e)); and

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

“(h) CONFIDENTIAL INFORMATION.—Subsection (b) or (e) shall not be construed as requiring the Postal Service to disclose to the public any information—

“(1) described in section 410(c); or

“(2) exempt from public disclosure under section 552(b) of title 5.

§ 3704. Postal Service program for other Government agencies

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

“(b) APPLICATION OF REPORTING REQUIREMENTS.—For purposes of the reporting requirements under section 3705, the Postal Service shall submit a separate report for each agreement with an agency entered into under subsection (a) analyzing the costs, revenues, rates, and quality of service for the provision of all services under such agreement, including information dem-
onstrating that the agreement satisfies the requirements
of subsection (a).

§ 3705. Transparency and accountability for non-postal services

“(a) Annual Report to the Commission.—

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

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

“(b) Content and Form of Report.—

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

“(A) providing the public with timely, adequate information to assess compliance;

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

“(C) protecting the confidentiality of information that is commercially sensitive or is exempt from public disclosure under section 552(b) of title 5.

“(2) Revised requirements.—The Commission may, on its own motion or on request of any interested party, initiate proceedings to improve the quality, accuracy, or completeness of Postal Service data required by the Commission if—

“(A) the attribution of costs or revenues to property or services under this chapter has become significantly inaccurate or can be significantly improved;

“(B) the quality of service data provided to the Commission for a report under this chapter has become significantly inaccurate or can be significantly improved; or
“(C) such revisions are, in the judgment of the Commission, otherwise necessitated by the public interest.

“(c) AUDITS.—The Inspector General shall regularly audit the data collection systems and procedures used in collecting information and preparing the report required under subsection (a). The results of any such audit shall be submitted to the Postal Service and the Postal Regulatory Commission.

“(d) CONFIDENTIAL INFORMATION.—

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

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

“(e) ANNUAL COMPLIANCE DETERMINATION.—

“(1) OPPORTUNITY FOR PUBLIC COMMENT.—
Upon receiving a report required under subsection
(a), the Postal Regulatory Commission shall prompt-
ly—

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

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

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

“(3) NONCOMPLIANCE.—If a timely written determination of noncompliance is made under paragraph (2), the Postal Regulatory Commission shall take appropriate action. If the requirements for coverage of attributable costs specified by this chapter are not met, the Commission shall, within 60 days after the determination, prescribe remedial action to restore compliance as soon as practicable, including the full restoration of revenue shortfalls during the following year. The Commission may order the Postal Service to discontinue a nonpostal service under section 3703 that persistently fails to meet cost coverage requirements.

“(4) DELIBERATE NONCOMPLIANCE.—In the case of deliberate noncompliance by the Postal Service with the requirements of this chapter, the Postal Regulatory Commission may order, based on the nature, circumstances, extent, and seriousness of the noncompliance, a fine (in the amount specified by the Commission in its order) for each incidence of such noncompliance. All receipts from fines imposed
under this subsection shall be deposited in the general fund of the Treasury.

“(f) Regulations Required.—The Postal Regulatory Commission shall issue such regulations as are necessary to carry out this section.”.

(2) Clerical Amendment.—The table of chapters for part IV of title 39, United States Code, is amended by adding after the item relating to chapter 36 the following:

“37. Nonpostal services ............................................................. 3701”.

(b) Conforming Amendments.—

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

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

(B) by adding at the end the following:

“(6) Licensing which, before the date of enactment of this paragraph, has been authorized by the Postal Regulatory Commission for continuation as a nonpostal service may not be used for any purpose other than—

“(A) to continue to provide licensed mailing, shipping, or stationery supplies offered as of June 23, 2011; or
“(B) to license other goods, products, or services, the primary purpose of which is to promote and enhance the image or brand of the Postal Service.

“(7) Nothing in this section shall be construed to prevent the Postal Service from establishing nonpostal products and services that are expressly authorized by chapter 37.”.

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

(3) Treatment of existing nonpostal services.—All individual nonpostal services, provided directly or through licensing, that are continued pursuant to section 404(e) of title 39, United States Code, shall be considered to be expressly authorized by chapter 37 of such title (as added by subsection (a)(1)) and shall be subject to the requirements of such chapter.

(4) Repeal of certain limitations on experimental products.—Section 3641 of title 39, United States Code, is amended—

(A) by striking subsections (b), (d), and (e); and
(B) by redesignating—

(i) subsection (e) as subsection (b);

and

(ii) subsections (f), (g), (h), and (i) as

subsections (c), (d), (e), and (f), respec-
tively.

TITLE II—POSTAL SERVICE

OPERATIONAL REFORMS

SEC. 201. PERFORMANCE TARGETS AND TRANSPARENCY.

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

“§ 3692. Performance Targets and Transparency

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

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

“(2) provide the previous fiscal years’ perform-
ance targets in its Annual Compliance Report to the
Postal Regulatory Commission for evaluation of
compliance.
“(b) PUBLIC PERFORMANCE DASHBOARD.—

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

“(2) PERFORMANCE INFORMATION.—The performance information provided on the Website shall include—

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

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

“(C) time periods showing performance information in annual, quarterly, monthly, and weekly segments;

“(D) comparisons of performance of market-dominant product results for previous time periods to facilitate identification of performance trends; and

“(E) the current performance targets and previous fiscal year performance targets, established under subsection (a)(1).

“(3) COMPREHENSIBILITY.—The Website shall include plain language descriptions of the elements required under paragraph (2) and information on
the collection process, measurement methodology, completeness, accuracy, and validity of the performance information provided on the Website.

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

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

“(A) in a manner that—

“(i) presents the information referenced under paragraph (2) on an interactive dashboard;

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

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

“(I) such performance information; and

“(II) the results of a search by the elements described in paragraph (2);
“(B) in an open format that permits any individual or entity to reuse and analyze the performance information; and

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

“(6) Consultation.—The Postal Service shall regularly consult with the Postal Regulatory Commission on appropriate features and information to be included on the Website.

“(7) Public Input.—The Postal Service shall—

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

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

“(8) Deadline.—The Website shall be implemented and made available to the public not later than the date on which the performance targets are provided to the Postal Regulatory Commission under subsection (a)(1).

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

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

“(11) DEFINITIONS.—In this subsection—

“(A) PERFORMANCE INFORMATION.—The term ‘performance information’ means the objective external performance measurements established under section 3691(b)(1)(D).

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

SEC. 202. INTEGRATED DELIVERY NETWORK.

Section 101(b) of title 39, United States Code, is amended by inserting before “The Postal Service” the following: “The Postal Service shall maintain an integrated network for the delivery of market-dominant and competitive products (as defined in chapter 36 of this title). Delivery shall occur, to the maximum extent practicable, at least six days a week, except during weeks that include a Federal holiday.”.
SEC. 203. REVIEW OF POSTAL SERVICE COST ATTRIBUTION GUIDELINES.

Not later than the date that is one year after the date of the enactment of this Act, the Postal Regulatory Commission shall initiate a review of the regulations issued pursuant to sections 3633(a) and 3652(a)(1) of title 39, United States Code, to determine whether revisions are appropriate to ensure that all direct and indirect costs attributable to competitive and market-dominant products are properly attributed to those products, including by considering the underlying methodologies in determining cost attribution and considering options to revise such methodologies. If the Commission determines, after notice and opportunity for public comment, that revisions are appropriate, the Commission shall make modifications or adopt alternative methodologies as necessary.

SEC. 204. RURAL NEWSPAPER SUSTAINABILITY.

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

SEC. 205. FUNDING OF POSTAL REGULATORY COMMISSION.

(a) IN GENERAL.—Subsection (d) of section 504 of title 39, United States Code, is amended to read as follows:

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

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

“(B) If the Governors adjust the budget under subparagraph (A), the Postal Regulatory Commission shall adjust the suballocations within such budget to reflect the total adjustment made by the Governors. The budget shall be deemed approved on the date the Commission makes any such adjustments. The Commission may make further adjustments to the suballocations within such budget as necessary.

“(3) Expenses incurred under any budget approved under this subsection shall be paid out of the Postal Service Fund established under section 2003.”.
(b) CONFORMING AMENDMENTS.—Title 39, United States Code, is amended—

(1) in section 2003(e), by striking “(B) all expenses of the Postal Regulatory Commission, subject to the availability of amounts appropriated under section 504(d),” and inserting “(B) all expenses of the Postal Regulatory Commission, pursuant to section 504(d);”; and

(2) in section 2009—

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

(B) by striking “, and (3) the Postal Regulatory Commission requests to be appropriated, out of the Postal Service Fund, under section 504(d) of this title”.

SEC. 206. FLATS OPERATIONS STUDY AND REFORM.

(a) FLATS OPERATIONS STUDY.—

(1) IN GENERAL.—The Postal Regulatory Commission, in consultation with the Inspector General of the United States Postal Service, shall conduct a study to—

(A) comprehensively identify the causes of inefficiencies in the collection, sorting, transportation, and delivery of Flats; and
(B) quantify the effects of the volume trends, investments decisions, excess capacity, and operational inefficiencies of the Postal Service on the direct and indirect costs of the Postal Service that are attributable to Flats.

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

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

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

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

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

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

(A) develop and implement a plan to remedy each inefficiency identified in the study conducted under subsection (a)(1) to the extent practicable; and

(B) if the Postal Service determines that remedying any such inefficiency is not practicable, provide to Congress and the Postal Regulatory Commission an explanation why remedying such inefficiency is not practicable, including whether it may become practicable to remedy such inefficiency at a later time.

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

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

(B) the Postal Service shall provide an adequate opportunity for public comment on the plan.
(3) COMPLETION NOTICE.—On the date on which the plan described in paragraph (1) is fully implemented, as determined by the Postmaster General, the Postmaster General shall submit to Congress and the Postal Regulatory Commission a written notice of such implementation.

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

SEC. 207. REPORTING REQUIREMENTS.

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

(b) CONTENTS.—Each report submitted under this section shall include updates, details of changes from previous standards and requirements, and assessments of progress being made on the operations and financial condition of the Postal Service, including—

(1) the actual mail and package volume growth relative to any mail or package volume growth projections previously made or relied upon by the Postal Service, including a discussion of the reasons for the differences in projections and the associated adjustments being made in order to accommodate any such differences;

(2) the effect of pricing changes on product volume for market-dominant and competitive products, and associated revenue effects on financial projections, including a discussion of the reasons behind the differences in projections and associated adjustments being made;

(3) customer use of network distribution centers and processing and distribution centers, and associated costs and revenue effects;

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

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

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

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

(8) updates on the reliability, efficiency, and
cost-effectiveness of the transportation network, in-
cluding the manner in which ground transportation
is utilized over air transportation for types of prod-
ucts;
(9) a review of efforts to enhance employee training, safety, and wellbeing, including associated effects on employee recruitment, satisfaction, and retention;

(10) a review of efforts being made to improve employee allocation, including changes of non-career employees to career status, and any associated impacts to operational expenses and processing, transportation, and delivery efficiency;

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

(12) changes to network distribution centers and the expansion of regional distribution centers, including costs associated with the changes and any realized reduction in operational expenses or improved resource efficiencies;

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

(14) a discussion of the progress of the Postal Service in achieving any new, self-funded investments, including the amounts realized and expended
to date, and a discussion of the reasons behind any
disparities in the assumptions regarding the ex-
pected progress of the Postal Service getting new,
self-funded investments to accommodate changes;
and

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

(c) CONFIDENTIAL INFORMATION.—

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

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

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

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

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

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

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

SEC. 208. POSTAL SERVICE TRANSPORTATION SELECTION POLICY REVISIONS.

Section 101(f) of title 39, United States Code, is
amended—
(1) by striking “prompt and economical” and inserting “prompt, economical, consistent, and reliable”;

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

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

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

SEC. 209. USPS INSPECTOR GENERAL OVERSIGHT OF POSTAL REGULATORY COMMISSION.

(a) IN GENERAL.—Section 8G of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

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

(2) in subsection (f)(2)—

(A) by striking “(2) In carrying” and inserting “(2)(A) In carrying”; and

(B) by adding at the end the following:

“(B) In carrying out the duties and responsibilities specified in this Act, the Inspector General of the United States Postal Service shall function as the Inspector General for the Postal Regulatory Commission, and shall have oversight authority over the Commission as if the Commission were part of
the United States Postal Service. The Commission shall comply with the Inspector General’s oversight as if the Commission were a designated Federal entity under paragraph (a)(2) of this section.”.

(b) SAVINGS PROVISION.—

(1) LEGAL DOCUMENTS.—Any order, determination, rule, regulation, permit, grant, loan, contract, agreement, certificate, license, or privilege that has been issued, made, granted, or allowed to become effective that is in effect on the effective date of this section shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law.

(2) PROCEEDINGS.—This section and the amendments made by this section shall not affect any proceeding pending on the effective date of this section before an office transferred by either such subsection, but such proceeding shall be continued. Nothing in this paragraph shall be considered to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section or such amendments had not been enacted.
(3) **SUITS.**—This section and the amendments made by this section shall not affect any suit commenced before the effective date of this section, and in any such suit, proceeding shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section or such amendments had not been enacted.

(4) **REFERENCES.**—Any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document relating to the Inspector General of the Postal Regulatory Commission shall be deemed to refer to the Inspector General of the United States Postal Service.

(e) **TECHNICAL AND CONFORMING AMENDMENT.**—Section 504 of title 39, United States Code, is amended by striking subsection (h).

(d) **EFFECTIVE DATE.**—This section and the amendments made by this section shall take effect on the date that is 180 days after the date of enactment of this Act.