

construed to authorize a reduction in any rate of postage in effect and being paid on the date of enactment of this Act [June 30, 1974].”

§ 3627. Adjusting free rates

If Congress fails to appropriate an amount authorized under section 2401(c) of this title for any class of mail sent free of postage under section 3217 or 3403-3406¹ the rate for that class may be adjusted in accordance with the provisions of this subchapter so that the increased revenues received from the users of such class will equal the amount for that class that the Congress was to appropriate.

(Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 763; Pub. L. 95-593, §11(b), Nov. 4, 1978, 92 Stat. 2538; Pub. L. 99-410, title II, §201(b)(3), Aug. 28, 1986, 100 Stat. 928; Pub. L. 103-31, §8(h)(3), May 20, 1993, 107 Stat. 86; Pub. L. 103-123, title VII, §704(a)(3)(B)(i), Oct. 28, 1993, 107 Stat. 1269; Pub. L. 109-435, title X, §1010(g)(5), Dec. 20, 2006, 120 Stat. 3263.)

AMENDMENTS

2006—Pub. L. 109-435 inserted section catchline and struck out former catchline which read the same.

1993—Pub. L. 103-123 substituted “free rates” for “free and reduced rates” in section catchline and “sent free of postage under section 3217 or 3403-3406” for “sent at a free or reduced rate under section 3217, 3403-3406, 3626, or 3629 of this title,” in text.

Pub. L. 103-31 substituted “3626, or 3629 of this title” for “or 3626 of this title.”

1986—Pub. L. 99-410 substituted “3406” for “3405” and struck out “under the Federal Voting Assistance Act of 1955, or under the Overseas Citizens Voting Rights Act of 1975” after “3626 of this title.”

1978—Pub. L. 95-593 inserted provisions relating to applicability of Overseas Citizens Voting Rights Act of 1975.

EFFECTIVE DATE OF 1993 AMENDMENTS

Amendment by Pub. L. 103-123 applicable with respect to rates for mail sent after Sept. 30, 1993, see section 704(c)(1) of Pub. L. 103-123, set out as a note under section 3626 of this title.

Amendment by Pub. L. 103-31 effective (1) with respect to a State that, on May 20, 1993, has a provision in the constitution of the State that would preclude compliance with section 1973gg et seq. of Title 42, The Public Health and Welfare, unless the State maintained separate Federal and State official lists of eligible voters, on the later of Jan. 1, 1996, or the date that is 120 days after the date by which, under the constitution of the State as in effect on May 20, 1993, it would be legally possible to adopt and place into effect any amendments to the constitution of the State that are necessary to permit compliance with section 1973gg et seq. of Title 42 without requiring a special election, and (2) with respect to a State not described above, on Jan. 1, 1995, see section 13 of Pub. L. 103-31, set out as an Effective Date note under section 1973gg of Title 42.

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-410 applicable with respect to elections taking place after Dec. 31, 1987, see section 204 of Pub. L. 99-410, set out as an Effective Date note under section 1973ff of Title 42, The Public Health and Welfare.

[§ 3628. Repealed. Pub. L. 109-435, title II, § 201(b), Dec. 20, 2006, 120 Stat. 3205]

Section, Pub. L. 91-375, Aug. 12, 1970, 84 Stat. 763; Pub. L. 98-620, title IV, § 402(37), Nov. 8, 1984, 98 Stat. 3360, re-

¹ So in original. Probably should be followed by “of this title.”

lated to appellate review of a decision of the Board of Governors to approve, allow under protest, reject, or modify a recommended decision of the Postal Rate Commission.

§ 3629. Reduced rates for voter registration purposes

The Postal Service shall make available to a State or local voting registration official the rate for any class of mail that is available to a qualified nonprofit organization under section 3626 for the purpose of making a mailing that the official certifies is required or authorized by the National Voter Registration Act of 1993.

(Added Pub. L. 103-31, §8(h)(1), May 20, 1993, 107 Stat. 86.)

REFERENCES IN TEXT

The National Voter Registration Act of 1993, referred to in text, is Pub. L. 103-31, May 20, 1993, 107 Stat. 77, as amended, which is classified principally to subchapter I-H (§1973gg et seq.) of chapter 20 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 1971 of Title 42 and Tables.

EFFECTIVE DATE

Section effective (1) with respect to a State that, on May 20, 1993, has a provision in the constitution of the State that would preclude compliance with section 1973gg et seq. of Title 42, The Public Health and Welfare, unless the State maintained separate Federal and State official lists of eligible voters, on the later of Jan. 1, 1996, or the date that is 120 days after the date by which, under the constitution of the State as in effect on May 20, 1993, it would be legally possible to adopt and place into effect any amendments to the constitution of the State that are necessary to permit compliance with section 1973gg et seq. of Title 42 without requiring a special election, and (2) with respect to a State not described above, on Jan. 1, 1995, see section 13 of Pub. L. 103-31, set out as a note under section 1973gg of Title 42.

SUBCHAPTER II—PROVISIONS RELATING TO COMPETITIVE PRODUCTS

PRIOR PROVISIONS

A prior subchapter II was redesignated subchapter I of this chapter.

§ 3631. Applicability; definitions and updates

(a) APPLICABILITY.—This subchapter shall apply with respect to—

- (1) priority mail;
- (2) expedited mail;
- (3) bulk parcel post;
- (4) bulk international mail; and
- (5) mailgrams;

subject to subsection (d) and any changes the Postal Regulatory Commission may make under section 3642.

(b) DEFINITION.—For purposes of this subchapter, the term “costs attributable”, as used with respect to a product, means the direct and indirect postal costs attributable to such product through reliably identified causal relationships.

(c) RULE OF CONSTRUCTION.—Mail matter referred to in subsection (a) shall, for purposes of this subchapter, be considered to have the meaning given to such mail matter under the mail classification schedule.

(Added Pub. L. 109-435, title II, §202, Dec. 20, 2006, 120 Stat. 3205.)

§ 3632. Action of the Governors

(a) **AUTHORITY TO ESTABLISH RATES AND CLASSES.**—The Governors, with the concurrence of a majority of all of the Governors then holding office, shall establish rates and classes for products in the competitive category of mail in accordance with the requirements of this subchapter and regulations promulgated under section 3633.

(b) **PROCEDURES.**—

(1) **IN GENERAL.**—Rates and classes shall be established in writing, complete with a statement of explanation and justification, and the date as of which each such rate or class takes effect.

(2) **RATES OR CLASSES OF GENERAL APPLICABILITY.**—In the case of rates or classes of general applicability in the Nation as a whole or in any substantial region of the Nation, the Governors shall cause each rate and class decision under this section and the record of the Governors' proceedings in connection with such decision to be published in the Federal Register at least 30 days before the effective date of any new rates or classes.

(3) **RATES OR CLASSES NOT OF GENERAL APPLICABILITY.**—In the case of rates or classes not of general applicability in the Nation as a whole or in any substantial region of the Nation, the Governors shall cause each rate and class decision under this section and the record of the proceedings in connection with such decision to be filed with the Postal Regulatory Commission by such date before the effective date of any new rates or classes as the Governors consider appropriate, but in no case less than 15 days.

(4) **CRITERIA.**—As part of the regulations required under section 3633, the Postal Regulatory Commission shall establish criteria for determining when a rate or class established under this subchapter is or is not of general applicability in the Nation as a whole or in any substantial region of the Nation.

(c) **TRANSITION RULE.**—Until regulations under section 3633 first take effect, rates and classes for competitive products shall remain subject to modification in accordance with the provisions of this chapter and section 407, as such provisions were as last in effect before the date of enactment of this section.

(Added Pub. L. 109-435, title II, §202, Dec. 20, 2006, 120 Stat. 3206.)

REFERENCES IN TEXT

The date of enactment of this section, referred to in subsec. (c), is the date of enactment of Pub. L. 109-435, which was approved Dec. 20, 2006.

§ 3633. Provisions applicable to rates for competitive products

(a) **IN GENERAL.**—The Postal Regulatory Commission shall, within 18 months after the date of enactment of this section, promulgate (and may from time to time thereafter revise) regulations to—

(1) prohibit the subsidization of competitive products by market-dominant products;

(2) ensure that each competitive product covers its costs attributable; and

(3) ensure that all competitive products collectively cover what the Commission determines to be an appropriate share of the institutional costs of the Postal Service.

(b) **REVIEW OF MINIMUM CONTRIBUTION.**—Five years after the date of enactment of this section, and every 5 years thereafter, the Postal Regulatory Commission shall conduct a review to determine whether the institutional costs contribution requirement under subsection (a)(3) should be retained in its current form, modified, or eliminated. In making its determination, the Commission shall consider all relevant circumstances, including the prevailing competitive conditions in the market, and the degree to which any costs are uniquely or disproportionately associated with any competitive products.

(Added Pub. L. 109-435, title II, §202, Dec. 20, 2006, 120 Stat. 3206.)

REFERENCES IN TEXT

The date of enactment of this section, referred to in text, is the date of enactment of Pub. L. 109-435, which was approved Dec. 20, 2006.

STUDY ON EQUAL APPLICATION OF LAWS TO COMPETITIVE PRODUCTS

Pub. L. 109-435, title VII, §703, Dec. 20, 2006, 120 Stat. 3244, provided that:

“(a) **IN GENERAL.**—The Federal Trade Commission shall prepare and submit to the President and Congress, and to the Postal Regulatory Commission, within 1 year after the date of enactment of this Act [Dec. 20, 2006], a comprehensive report identifying Federal and State laws that apply differently to the United States Postal Service with respect to the competitive category of mail (within the meaning of section 102 of title 39, United States Code, as amended by section 101) and to private companies providing similar products.

“(b) **RECOMMENDATIONS.**—The Federal Trade Commission shall include such recommendations as it considers appropriate for bringing such legal differences to an end, and in the interim, to account under section 3633 of title 39, United States Code (as added by this Act), for the net economic effects provided by those laws.

“(c) **CONSULTATION.**—In preparing its report, the Federal Trade Commission shall consult with the United States Postal Service, the Postal Regulatory Commission, other Federal agencies, mailers, private companies that provide delivery services, and the general public, and shall append to such report any written comments received under this subsection.

“(d) **COMPETITIVE PRODUCT REGULATION.**—The Postal Regulatory Commission shall take into account the recommendations of the Federal Trade Commission, and subsequent events that affect the continuing validity of the estimate of the net economic effect, in promulgating or revising the regulations required under section 3633 of title 39, United States Code.”

§ 3634. Assumed Federal income tax on competitive products income

(a) **DEFINITIONS.**—For purposes of this section—

(1) the term “assumed Federal income tax on competitive products income” means the net income tax that would be imposed by chapter 1 of the Internal Revenue Code of 1986 on the Postal Service's assumed taxable income from competitive products for the year; and

(2) the term “assumed taxable income from competitive products”, with respect to a year,