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112TH CONGRESS
2^D SESSION

S. 1789

To improve, sustain, and transform the United States Postal Service.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 2, 2011

Mr. LIEBERMAN (for himself, Ms. COLLINS, Mr. CARPER, and Mr. BROWN of Massachusetts) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

JANUARY 26, 2012

Reported by Mr. LIEBERMAN, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To improve, sustain, and transform the United States Postal Service.

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.**

4 This Act may be cited as the “21st Century Postal
5 Service Act of 2011.”

1 **SEC. 2. TABLE OF CONTENTS.**

2 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Definitions.

TITLE I—POSTAL WORKFORCE MATTERS

- Sec. 101. Treatment of surplus contributions to Federal Employees Retirement System.
- Sec. 102. Additional service credit.
- Sec. 103. Medicare coverage for Postal Service Medicare eligible annuitants.
- Sec. 104. Restructuring of payments for retiree health benefits.
- Sec. 105. Postal Service Health Benefits Program.
- Sec. 106. Arbitration; labor disputes.

TITLE II—POSTAL SERVICES AND OPERATIONS

- Sec. 201. Postal facilities.
- Sec. 202. Additional Postal Service planning.
- Sec. 203. Area and district office structure.
- Sec. 204. Retail service standards.
- Sec. 205. Conversion of door delivery points.
- Sec. 206. Limitations on changes to mail delivery schedule.
- Sec. 207. Time limits for consideration of service changes.
- Sec. 208. Public procedures for significant changes to mailing specifications.
- Sec. 209. Nonpostal products and services.

TITLE III—FEDERAL EMPLOYEES' COMPENSATION ACT

- Sec. 301. Short title; references.
- Sec. 302. Federal workers compensation reforms for retirement-age employees.
- Sec. 303. Augmented compensation for dependents.
- Sec. 304. Schedule compensation payments.
- Sec. 305. Vocational rehabilitation.
- Sec. 306. Reporting requirements.
- Sec. 307. Disability management review; independent medical examinations.
- Sec. 308. Waiting period.
- Sec. 309. Election of benefits.
- Sec. 310. Sanction for noncooperation with field nurses.
- Sec. 311. Subrogation of continuation of pay.
- Sec. 312. Social Security earnings information.
- Sec. 313. Amount of compensation.
- Sec. 314. Technical and conforming amendments.
- Sec. 315. Regulations.

TITLE IV—OTHER MATTERS

- Sec. 401. Profitability plan.
- Sec. 402. Postal rates.
- Sec. 403. Cooperation with State and local governments; intra-Service agreements.
- Sec. 404. Shipping of wine and beer.
- Sec. 405. Annual report on United States mailing industry.
- Sec. 406. Use of negotiated service agreements.

Sec. 407. Contract disputes.

Sec. 408. Contracting provisions.

1 **SEC. 3. DEFINITIONS.**

2 In this Act, the following definitions shall apply:

3 (1) COMMISSION.—The term “Commission”
4 means the Postal Regulatory Commission.

5 (2) POSTAL SERVICE.—The term “Postal Serv-
6 ice” means the United States Postal Service.

7 **TITLE I—POSTAL WORKFORCE**
8 **MATTERS**

9 **SEC. 101. TREATMENT OF SURPLUS CONTRIBUTIONS TO**
10 **FEDERAL EMPLOYEES RETIREMENT SYSTEM.**

11 Section 8423(b) of title 5, United States Code, is
12 amended—

13 (1) by redesignating paragraph (5) as para-
14 graph (6); and

15 (2) by inserting after paragraph (4) the fol-
16 lowing:

17 “(5)(A) In this paragraph, the term ‘surplus postal
18 contributions’ means the amount by which the amount
19 computed under paragraph (1)(B) is less than zero.

20 “(B) For each fiscal year in which the amount com-
21 puted under paragraph (1)(B) is less than zero, upon re-
22 quest of the Postmaster General, the Director shall trans-
23 fer to the United States Postal Service from the Fund an

1 amount equal to the surplus postal contributions for that
2 fiscal year for use in accordance with this paragraph.

3 “(C) For each of fiscal years 2012, 2013, and 2014,
4 if the amount computed under paragraph (1)(B) is less
5 than zero, a portion of the surplus postal contributions
6 for the fiscal year shall be used by the United States Post-
7 al Service for the cost of providing to employees of the
8 United States Postal Service who voluntarily separate
9 from service before October 1, 2014—

10 “(i) voluntary separation incentive payments
11 (including payments to employees who retire under
12 section 8336(d)(2) or 8414(b)(1)(B) before October
13 1, 2014) that may not exceed the maximum amount
14 provided under section 3523(b)(3)(B) for any em-
15 ployee; and

16 “(ii) retirement service credits, as authorized
17 under section 8332(p) or 8411(m).

18 “(D) Any surplus postal contributions for a fiscal
19 year not expended under subparagraph (C) may be used
20 by the United States Postal Service for the purposes of—

21 “(i) repaying any obligation issued under sec-
22 tion 2005 of title 39; or

23 “(ii) making required payments to—

24 “(I) the Employees’ Compensation Fund
25 established under section 8147;

1 “(II) the Postal Service Retiree Health
 2 Benefits Fund established under section 8909a;
 3 “(III) the Employees Health Benefits
 4 Fund established under section 8909; or
 5 “(IV) the Civil Service Retirement and
 6 Disability Fund.”.

7 **SEC. 102. ADDITIONAL SERVICE CREDIT.**

8 (a) CIVIL SERVICE RETIREMENT SYSTEM.—Section
 9 8332 of title 5, United States Code, is amended by adding
 10 at the end the following:

11 “(p)(1)(A) For an employee of the United States
 12 Postal Service who is covered under this subchapter and
 13 voluntarily separates from service before October 1, 2014,
 14 at the direction of the United States Postal Service, the
 15 Office shall add not more than 1 year (as specified by the
 16 United States Postal Service) to the total creditable serv-
 17 ice of the employee for purposes of determining entitle-
 18 ment to and computing the amount of an annuity under
 19 this subchapter (except for a disability annuity under sec-
 20 tion 8337).

21 “(B) An employee who receives additional creditable
 22 service under this paragraph may not receive a voluntary
 23 separation incentive payment from the United States
 24 Postal Service.

1 “(2)(A) Subject to subparagraph (B), and notwith-
2 standing any other provision of law, no deduction, deposit,
3 or contribution shall be required for service credited under
4 this subsection.

5 “(B) The actuarial present value of the additional li-
6 ability of the United States Postal Service to the Fund
7 resulting from this subsection shall be included in the
8 amount calculated under section 8348(h)(1)(A).”.

9 (b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—
10 Section 8411 of title 5, United States Code, is amended
11 by adding at the end the following:

12 “(m)(1)(A) For an employee of the United States
13 Postal Service who is covered under this chapter and vol-
14 untarily separates from service before October 1, 2014,
15 at the direction of the United States Postal Service, the
16 Office shall add not more than 2 years (as specified by
17 the United States Postal Service) to the total creditable
18 service of the employee for purposes of determining enti-
19 tlement to and computing the amount of an annuity under
20 this chapter (except for a disability annuity under sub-
21 chapter V of that chapter).

22 “(B) An employee who receives additional creditable
23 service under this paragraph may not receive a voluntary
24 separation incentive payment from the United States
25 Postal Service.

1 “(2)(A) Subject to subparagraph (B), and notwith-
 2 standing any other provision of law, no deduction, deposit,
 3 or contribution shall be required for service credited under
 4 this subsection.

5 “(B) The actuarial present value of the additional li-
 6 ability of the United States Postal Service to the Fund
 7 resulting from this subsection shall be included in the
 8 amount calculated under section 8423(b)(1)(B).”.

9 **SEC. 103. MEDICARE COVERAGE FOR POSTAL SERVICE**

10 **MEDICARE ELIGIBLE ANNUITANTS.**

11 (a) **FEDERAL EMPLOYEES HEALTH BENEFITS**
 12 **PLANS.—**

13 (1) **IN GENERAL.**—Chapter 89 of title 5, United
 14 States Code, is amended by inserting after section
 15 8903b the following:

16 **“§ 8903c. Postal Service Medicare eligible annuitants**

17 “(a) **DEFINITIONS.**—In this section—

18 “(1) the term ‘contract year’ means a calendar
 19 year in which health benefits plans are administered
 20 under this chapter;

21 “(2) the term ‘Medicare part A’ means the
 22 Medicare program for hospital insurance benefits
 23 under part A of title XVIII of the Social Security
 24 Act (42 U.S.C. 1395e et seq.);

1 “(3) the term ‘Medicare part B’ means the
2 Medicare program for supplementary medical insur-
3 ance benefits under part B of title XVIII of the So-
4 cial Security Act (42 U.S.C. 1395j et seq.); and

5 “(4) the term ‘Postal Service Medicare eligible
6 annuitant’ means an individual who—

7 “(A) is an annuitant covered under this
8 chapter whose Government contribution is paid
9 by the Postal Service under section 8906(g)(2);
10 and

11 “(B) is eligible to enroll in Medicare part
12 A and Medicare part B.

13 “(b) REQUIREMENT OF MEDICARE ENROLLMENT.—

14 “(1) POSTAL SERVICE MEDICARE ELIGIBLE AN-
15 NUITANTS.—

16 “(A) IMMEDIATE APPLICATION.—An indi-
17 vidual who is a Postal Service Medicare eligible
18 annuitant on the date of enactment of the 21st
19 Century Postal Service Act of 2011 may not
20 continue coverage under this chapter, unless
21 that individual enrolls in Medicare part A and
22 Medicare part B during the special enrollment
23 period established under section 1837(m) of the
24 Social Security Act.

1 “(B) PROSPECTIVE APPLICATION.—An in-
 2 dividual who becomes a Postal Service Medicare
 3 eligible annuitant after the date of enactment of
 4 the 21st Century Postal Service Act of 2011
 5 may not continue coverage under this chapter,
 6 unless after becoming eligible for Medicare part
 7 A and Medicare part B that individual enrolls
 8 in Medicare part A and Medicare part B during
 9 the applicable initial enrollment period under
 10 section 1837 of the Social Security Act (42
 11 U.S.C. 1395p).

12 “(2) FAMILY MEMBERS OF POSTAL SERVICE
 13 MEDICARE ELIGIBLE ANNUITANTS.—

14 “(A) FAMILY MEMBER IS MEDICARE ELIGI-
 15 BLE.—An individual who, on the date of enact-
 16 ment of the 21st Century Postal Service Act of
 17 2011, is a Postal Service Medicare eligible an-
 18 nuitant, is enrolled in self and family coverage
 19 under this chapter, and has a member of the
 20 family who is eligible to enroll in Medicare part
 21 A and Medicare part B, may not continue cov-
 22 erage under this chapter, unless—

23 “(i) the family member enrolls in
 24 Medicare part A and Medicare part B dur-
 25 ing the special enrollment period estab-

1 lished under section 1837(m) of the Social
2 Security Act; or

3 “~~(ii)~~ the individual enrolls for self only
4 coverage under this chapter.

5 “~~(B)~~ FAMILY MEMBER BECOMES MEDI-
6 CARE ELIGIBLE.—An individual who, on the
7 date of enactment of the 21st Century Postal
8 Service Act of 2011, is a Postal Service Medi-
9 care eligible annuitant, is enrolled in self and
10 family coverage under this chapter, and has a
11 member of the family who becomes eligible to
12 enroll in Medicare part A and Medicare part B
13 after that date, may not continue coverage
14 under this chapter, unless—

15 “~~(i)~~ the family member enrolls in
16 Medicare part A and Medicare part B dur-
17 ing the applicable initial enrollment period
18 under section 1837 of the Social Security
19 Act (42 U.S.C. 1395p); or

20 “~~(ii)~~ the individual enrolls for self only
21 coverage under this chapter.

22 “~~(c)~~ ENROLLMENT OPTIONS.—

23 “~~(1)~~ ESTABLISHMENT.—For contract years fol-
24 lowing the date of enactment of the 21st Century
25 Postal Service Act of 2011, the Office shall establish

1 enrollment options for health benefits plans that are
2 open only to Postal Service Medicare eligible annu-
3 itants or family members of a Postal Service Medi-
4 care eligible annuitants who continue coverage under
5 this chapter in accordance with subsection (b).

6 “(2) ENROLLMENT REQUIREMENT.—Any Post-
7 al Service Medicare eligible annuitant or family
8 member of a Postal Service Medicare eligible annu-
9 itant who continues coverage under this chapter in
10 accordance with subsection (b) may only enroll in 1
11 of the enrollment options established under para-
12 graph (1).

13 “(3) VALUE OF COVERAGE.—The Office shall
14 ensure that the aggregate actuarial value of coverage
15 under the enrollment options established under this
16 subsection, in combination with the value of coverage
17 under Medicare part A and Medicare part B, shall
18 be not less than the actuarial value of the most
19 closely corresponding enrollment options available
20 under section 8905.

21 “(4) ENROLLMENT OPTIONS.—

22 “(A) IN GENERAL.—The enrollment op-
23 tions established under paragraph (1) shall in-
24 clude—

1 “(i) an individual option, for Postal
2 Service Medicare eligible annuitants sub-
3 ject to subsection (b)(1);

4 “(ii) a self and family option, for
5 Postal Service Medicare eligible annuitants
6 subject to subsection (b)(1) and family
7 members of Postal Service Medicare eligi-
8 ble annuitants subject to subsection (b)(2);
9 and

10 “(iii) a self and family option, for
11 Postal Service Medicare eligible annuitants
12 subject to subsection (b)(1) and family
13 members of Postal Service Medicare eligi-
14 ble annuitants, including family members
15 not subject to subsection (b)(2).

16 “(B) SPECIFIC SUB-OPTIONS.—The Office
17 may establish more specific enrollment options
18 within the types of options described under sub-
19 paragraph (A).

20 “(5) REDUCED PREMIUMS TO ACCOUNT FOR
21 MEDICARE COORDINATION.—In determining the pre-
22 miums for the enrollment options under paragraph
23 (4), the Office shall—

1 “(A) establish a separate claims pool for
2 individuals eligible for coverage under those op-
3 tions; and

4 “(B) ensure that—

5 “(i) the premiums are reduced from
6 the premiums otherwise established under
7 this chapter to directly reflect the full cost
8 savings to the health benefits plans due to
9 the complete coordination of benefits with
10 Medicare part A and Medicare part B for
11 Postal Service Medicare eligible annuitants
12 or family members of Postal Service Medi-
13 care eligible annuitants who continue cov-
14 erage under this chapter; and

15 “(ii) the cost savings described under
16 clause (i) result solely in the reduction
17 of—

18 “(I) the premiums paid by the
19 Postal Service Medicare eligible annu-
20 itant; and

21 “(II) the Government contribu-
22 tions paid by the Postal Service.

23 “(d) CONVERSION OF ENROLLMENT.—

24 “(1) IN GENERAL.—For any individual who en-
25 rolls in Medicare part A and Medicare part B in ac-

1 eordance with subsection (b) other than during the
 2 special enrollment period established under section
 3 1837(m) of the Social Security Act, coverage under
 4 this chapter shall be converted to coverage under the
 5 applicable enrollment option established under sub-
 6 section (e) upon enrollment in Medicare part A and
 7 Medicare part B.

8 “(2) NOTIFICATION.—The Office shall provide
 9 reasonable advance notice to any Postal Service
 10 Medicare eligible annuitant or family member of any
 11 Postal Service Medicare eligible annuitant that such
 12 annuitant or family member will become subject to
 13 conversion of enrollment under paragraph (1).

14 “(e) POSTAL SERVICE CONSULTATION.—The Office
 15 shall establish the enrollment options and premiums under
 16 this section in consultation with the Postal Service.”.

17 (2) TECHNICAL AND CONFORMING AMEND-
 18 MENTS.—The table of sections for chapter 89 of title
 19 5, United States Code, is amended by inserting after
 20 the item relating to section 8903b the following:

“8903c. Postal Service Medicare eligible annuitants.”.

21 (3) EFFECTIVE DATE.—The amendments made
 22 by this subsection shall apply with respect to con-
 23 tract years beginning 6 months following the date of
 24 enactment of this Act.

1 (b) SPECIAL ENROLLMENT PERIOD FOR POSTAL
2 SERVICE MEDICARE ELIGIBLE ANNUITANTS.—

3 (1) SPECIAL ENROLLMENT PERIOD.—

4 (A) IN GENERAL.—Section 1837 of the So-
5 cial Security Act (42 U.S.C. 1395p) is amended
6 by adding at the end the following new sub-
7 section:

8 “(m)(1) In the case of any individual who is a Postal
9 Service Medicare eligible annuitant (as defined in section
10 8903e(a) of title 5, United States Code) at the time the
11 individual is entitled to part A under section 226(b) or
12 section 226A and who is eligible to enroll but who has
13 elected not to enroll (or to be deemed enrolled) during the
14 individual’s initial enrollment period, there shall be a spe-
15 cial enrollment period described in paragraph (2).

16 “(2) The special enrollment period described in this
17 paragraph, with respect to an individual is the 6-month
18 period, beginning on the first day of the month which in-
19 cludes the date of enactment of the 21st Century Postal
20 Service Act of 2011.

21 “(3) In the case of an individual who enrolls during
22 the special enrollment period provided under paragraph
23 (1), the coverage period under this part shall begin on the
24 first day of the month in which the individual enrolls.”.

1 (B) EFFECTIVE DATE.—The amendment
 2 made by subparagraph (A) shall apply to elec-
 3 tions made with respect to initial enrollment pe-
 4 riods that end after the date of enactment of
 5 the 21st Century Postal Service Act of 2011.

6 (2) WAIVER OF INCREASE OF PREMIUM.—Sec-
 7 tion 1839(b) of the Social Security Act (42 U.S.C.
 8 1395r(b)) is amended by striking “(i)(4) or (l)” and
 9 inserting “(i)(4), (l), or (m)”.

10 **SEC. 104. RESTRUCTURING OF PAYMENTS FOR RETIREE**
 11 **HEALTH BENEFITS.**

12 (a) CONTRIBUTIONS.—Section 8906(g)(2)(A) of title
 13 5, United States Code, is amended by striking “through
 14 September 30, 2016, be paid by the United States Postal
 15 Service, and thereafter shall” and inserting “after the date
 16 of enactment of the 21st Century Postal Service Act of
 17 2011”.

18 (b) POSTAL SERVICE RETIREE HEALTH BENEFITS
 19 FUND.—Section 8909a of title 5, United States Code, is
 20 amended—

21 (1) in subsection (d)—

22 (A) in paragraph (2)(B)—

23 (i) by striking “2017” and inserting
 24 “2012”; and

1 (ii) by inserting after “later, of” the
 2 following: “80 percent of”; and
 3 ~~(B) in paragraph (3)—~~
 4 (i) in subparagraph (A)—
 5 (I) in clause (iii), by adding
 6 “and” at the end;
 7 (II) in clause (iv), by striking the
 8 semicolon at the end and inserting a
 9 period; and
 10 (III) by striking clauses (v)
 11 through (x); and
 12 (ii) in subparagraph (B), by striking
 13 “2017” and inserting “2012”; and
 14 (2) by adding at the end the following:
 15 “(e) Subsections (a) through (d) shall be subject to
 16 section 105 of the 21st Century Postal Service Act of
 17 2011.”.

18 **SEC. 105. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

19 (a) **DEFINITIONS.**—In this section—
 20 (1) the term “covered employee” means an em-
 21 ployee of the Postal Service who is represented by a
 22 bargaining representative recognized under section
 23 1203 of title 39, United States Code;

1 (2) the term “Federal Employee Health Bene-
2 fits Program” means the health benefits program
3 under chapter 89 of title 5, United States Code; and

4 (3) the term “Postal Service Health Benefits
5 Program” means the health benefits program that
6 may be agreed to under subsection (b)(1).

7 (b) COLLECTIVE BARGAINING.—

8 (1) IN GENERAL.—Consistent with section
9 1005(f) of title 39, United States Code, the Postal
10 Service may negotiate jointly with all bargaining
11 representatives recognized under section 1203 of
12 title 39, United States Code, and enter into a joint
13 collective bargaining agreement with those bar-
14 gaining representatives to establish the Postal Serv-
15 ice Health Benefits Program that satisfies the condi-
16 tions under subsection (c). The Postal Service and
17 the bargaining representatives shall negotiate in con-
18 sultation with the Director of the Office of Per-
19 sonnel Management.

20 (2) ARBITRATION LIMITATION.—Notwith-
21 standing chapter 12 of title 39, United States Code,
22 there shall not be arbitration of any dispute in the
23 negotiations under this subsection.

1 ~~(3) TIME LIMITATION.~~—The authority under
 2 this subsection shall extend until September 30,
 3 ~~2012.~~

4 ~~(c) POSTAL SERVICE HEALTH BENEFITS PRO-~~
 5 ~~GRAM.~~—The Postal Service Health Benefits Program—

6 ~~(1) shall—~~

7 ~~(A) be available for participation by all~~
 8 ~~covered employees;~~

9 ~~(B) provide adequate and appropriate~~
 10 ~~health benefits;~~

11 ~~(C) be administered by the Postmaster~~
 12 ~~General; and~~

13 ~~(D) provide for transition of coverage~~
 14 ~~under the Federal Employee Health Benefits~~
 15 ~~Program of covered employees to coverage~~
 16 ~~under the Postal Service Health Benefits Pro-~~
 17 ~~gram on January 1, 2013;~~

18 ~~(2) may provide dental benefits; and~~

19 ~~(3) may provide vision benefits.~~

20 ~~(d) AGREEMENT AND IMPLEMENTATION.~~—If a joint
 21 ~~agreement is reached under subsection (b)—~~

22 ~~(1) the Postal Service shall implement the Post-~~
 23 ~~al Service Health Benefits Program;~~

24 ~~(2) the Postal Service Health Benefits Program~~
 25 ~~shall constitute an agreement between the collective~~

1 bargaining representatives and the Postal Service for
 2 purposes of section 1005(f) of title 39, United
 3 States Code; and

4 ~~(3) covered employees may not participate as~~
 5 ~~employees in the Federal Employees Health Benefits~~
 6 ~~Program.~~

7 ~~(e) GOVERNMENT PLAN.—The Postal Service Health~~
 8 ~~Benefits Program shall be a government plan as that term~~
 9 ~~is defined under section 3(32) of Employee Retirement In-~~
 10 ~~come Security Act of 1974 (29 U.S.C. 1002(32)).~~

11 ~~(f) REPORT.—Not later than June 30, 2013, the~~
 12 ~~Postal Service shall submit a report to the Committee on~~
 13 ~~Homeland Security and Governmental Affairs of the Sen-~~
 14 ~~ate and the Committee on Oversight and Government Re-~~
 15 ~~form of the House of Representatives that—~~

16 ~~(1) reports on the implementation of this sec-~~
 17 ~~tion; and~~

18 ~~(2) requests any additional statutory authority~~
 19 ~~that the Postal Service determines is necessary to~~
 20 ~~carry out the purposes of this section.~~

21 **SEC. 106. ARBITRATION; LABOR DISPUTES.**

22 Section 1207(c)(2) of title 39, United States Code,
 23 is amended—

24 (1) by inserting “(A)” after “(2)”;

1 (2) by striking the last sentence and inserting
 2 “‘The arbitration board shall render a decision not
 3 later than 45 days after the date of its appoint-
 4 ment.’”; and

5 (3) by adding at the end the following:

6 “‘(B) In rendering a decision under this paragraph,
 7 the arbitration board shall consider such relevant factors
 8 as—

9 “‘(i) the financial condition of the Postal Serv-
 10 ice;

11 “‘(ii) the requirements relating to pay and com-
 12 pensation comparability under section 1003(a); and

13 “‘(iii) the policies of this title.’”.

14 **TITLE II—POSTAL SERVICES**
 15 **AND OPERATIONS**

16 **SEC. 201. POSTAL FACILITIES.**

17 Section 404 of title 39, United States Code, is
 18 amended by adding after subsection (e) the following:

19 “‘(f) CLOSING OR CONSOLIDATION OF CERTAIN
 20 POSTAL FACILITIES.—

21 “‘(1) POSTAL FACILITY.—In this subsection, the
 22 term ‘postal facility’ does not include—

23 “‘(A) any post office, station, or branch; or

24 “‘(B) any facility used only for administra-
 25 tive functions.

1 ~~“(2) AREA MAIL PROCESSING STUDY.—~~

2 ~~“(A) NEW AREA MAIL PROCESSING STUD-~~
 3 ~~IES.—After the date of enactment of this sub-~~
 4 ~~section, before making a determination under~~
 5 ~~subsection (a)(3) as to the necessity for the~~
 6 ~~closing or consolidation of any postal facility,~~
 7 ~~the Postal Service shall—~~

8 ~~“(i) conduct an area mail processing~~
 9 ~~study relating to that postal facility that~~
 10 ~~includes a plan to reduce the capacity of~~
 11 ~~the postal facility, but not close the postal~~
 12 ~~facility;~~

13 ~~“(ii) publish the study on the Postal~~
 14 ~~Service website; and~~

15 ~~“(iii) publish a notice that the study~~
 16 ~~is complete and available to the public, in-~~
 17 ~~cluding on the Postal Service website.~~

18 ~~“(B) COMPLETED OR ONGOING AREA MAIL~~
 19 ~~PROCESSING STUDIES.—~~

20 ~~“(i) IN GENERAL.—In the case of a~~
 21 ~~postal facility described in clause (ii), the~~
 22 ~~Postal Service shall—~~

23 ~~“(I) consider a plan to reduce the~~
 24 ~~capacity of the postal facility, but not~~
 25 ~~close the post facility; and~~

1 “(H) publish the results of the
2 consideration under subelause (I) with
3 or as an amendment to the area mail
4 processing study relating to the postal
5 facility.

6 “(ii) ~~POSTAL FACILITIES.~~—A postal
7 facility described in this clause is a postal
8 facility for which, on or before the date of
9 enactment of this subsection—

10 “(I) an area mail processing
11 study that does not include a plan to
12 reduce the eapacity of the postal facil-
13 ity, but not close the facility, has been
14 completed or is in progress; and

15 “(II) a determination as to the
16 necessity for the closing or consolida-
17 tion of the postal facility has not been
18 made.

19 “(3) ~~NOTICE; PUBLIC COMMENT; AND PUBLIC~~
20 ~~HEARING.~~—If the Postal Service makes a determina-
21 tion under subsection (a)(3) to close or consolidate
22 a postal facility, the Postal Service shall—

23 “(A) provide notice of the determination
24 to—

25 “(i) Congress; and

1 “(ii) the Postal Regulatory Commis-
2 sion;

3 “(B) provide adequate public notice of the
4 intention of the Postal Service to close or con-
5 solidate the postal facility;

6 “(C) ensure that interested persons have
7 an opportunity to submit public comments dur-
8 ing a 45-day period after the notice of intention
9 is provided under subparagraph (B);

10 “(D) before that 45-day period provide for
11 public notice of that opportunity by—

12 “(i) publication on the Postal Service
13 website;

14 “(ii) posting at the affected postal fa-
15 cility; and

16 “(iii) advertising the date and location
17 of the public community meeting under
18 subparagraph (E); and

19 “(E) during the 45-day period described
20 under subparagraph (C), conduct a public com-
21 munity meeting that provides an opportunity
22 for public comments to be submitted verbally or
23 in writing.

24 “(4) FURTHER CONSIDERATIONS.—Not earlier
25 than 30 days after the end of the 45-day period for

1 public comment under paragraph (3), the Postal
2 Service, in making a determination whether or not
3 to close or consolidate a postal facility, shall con-
4 sider—

5 “(A) the views presented by interested per-
6 sons solicited under paragraph (3);

7 “(B) the effect of the closing or consolida-
8 tion on the affected community, including any
9 disproportionate impact the closure or consoli-
10 dation may have on a State, region, or locality;

11 “(C) the effect of the closing or consolida-
12 tion on the travel times and distances for af-
13 fected customers to access services under the
14 proposed closing or consolidation;

15 “(D) the effect of the closing or consolida-
16 tion on delivery times for all classes of mail;

17 “(E) any characteristics of certain geo-
18 graphical areas, such as remoteness, broadband
19 internet availability, and weather-related obsta-
20 cles to using alternative facilities, that may re-
21 sult in the closing or consolidation having a
22 unique effect; and

23 “(F) any other factor the Postal Service
24 determines is necessary.

1 “(5) JUSTIFICATION STATEMENT.—Before the
2 date on which the Postal Service closes or consoli-
3 dates a postal facility, the Postal Service shall post
4 on the Postal Service website a closure or consolida-
5 tion justification statement that includes—

6 “(A) a response to all public comments re-
7 ceived with respect to the considerations de-
8 scribed under paragraph (4);

9 “(B) a description of the considerations
10 made by the Postal Service under paragraph
11 (4); and

12 “(C) the actions that will be taken by the
13 Postal Service to mitigate any negative effects
14 identified under paragraph (4).

15 “(6) CLOSING OR CONSOLIDATION OF POSTAL
16 FACILITIES.—

17 “(A) IN GENERAL.—Not earlier than the
18 15 days after posting and publishing the final
19 determination and the justification statement
20 under paragraph (6) with respect to a postal fa-
21 cility, the Postal Service may close or consoli-
22 date the postal facility.

23 “(B) ALTERNATIVE INTAKE OF MAIL.—If
24 the Postal Service closes or consolidates a post-
25 al facility under subparagraph (A), the Postal

1 Service shall make reasonable efforts to ensure
 2 continued mail receipt from customers of the
 3 closed or consolidated postal facility at the
 4 same location or at another appropriate location
 5 in close geographic proximity to the closed or
 6 consolidated postal facility.

7 “(7) **POSTAL SERVICE WEBSITE.**—For purposes
 8 of any notice required to be published on the Postal
 9 Service website under this subsection, the Postal
 10 Service shall ensure that the Postal Service
 11 website—

12 “(A) is updated routinely; and

13 “(B) provides any person, at the option of
 14 the person, the opportunity to receive relevant
 15 updates by electronic mail.”.

16 **SEC. 202. ADDITIONAL POSTAL SERVICE PLANNING.**

17 Section 302(d) of the Postal Accountability and En-
 18 hancement Act of 2006 (39 U.S.C. 3691 note) is amend-
 19 ed—

20 (1) in paragraph (8), by striking the period at
 21 the end and inserting “; and”;

22 (2) by redesignating paragraphs (1) through
 23 (8) as subparagraphs (A) through (H), respectively,
 24 and adjusting the margins accordingly;

1 ~~(3)~~ in the matter preceding subparagraph (A),
2 as so redesignated, by striking “shall include” and
3 inserting the following: “shall—

4 ~~“(1) include”~~; and

5 ~~(4)~~ by adding at the end the following:

6 ~~“(2) where possible, provide for an improve-~~
7 ~~ment in customer access to postal services;~~

8 ~~“(3) consider the impact of any decisions by the~~
9 ~~Postal Service relating to the implementation of the~~
10 ~~plan on small communities and rural areas; and~~

11 ~~“(4) ensure that—~~

12 ~~“(A) small communities and rural areas~~
13 ~~continue to receive regular and effective access~~
14 ~~to retail postal services after implementation of~~
15 ~~the plan; and~~

16 ~~“(B) the Postal Service solicits community~~
17 ~~input in accordance with applicable provisions~~
18 ~~of Federal law.”.~~

19 **SEC. 203. AREA AND DISTRICT OFFICE STRUCTURE.**

20 (a) **PLAN REQUIRED.**—Not later than 1 year after
21 the date of enactment of this Act, the Postal Service shall
22 submit to the Committee on Homeland Security and Gov-
23 ernmental Affairs of the Senate and the Committee on
24 Oversight and Governmental Reform of the House of Rep-
25 resentatives—

1 (1) a comprehensive strategic plan to govern
2 decisions relating to area and district office struc-
3 ture that considers efficiency, costs, redundancies,
4 mail volume, technological advancements, oper-
5 ational considerations, and other issues that may be
6 relevant to establishing an effective area and district
7 office structure; and

8 (2) a 10-year plan, including a timetable, that
9 provides for consolidation of area and district offices
10 wherever the Postal Service determines a consolida-
11 tion would—

12 (A) be cost-effective; and

13 (B) not substantially and adversely affect
14 the operations of the Postal Service.

15 (b) CONSOLIDATION.—Beginning not later than 1
16 year after the date of enactment of this Act, the Postal
17 Service shall, consistent with the plans required under
18 subsection (a)—

19 (1) consolidate district offices that are located
20 within 50 miles of each other;

21 (2) consolidate area and district offices that
22 have less than the mean mail volume and number of
23 work hours for all area and district offices; and

24 (3) relocate area offices to headquarters.

1 (c) **UPDATES.**—The Postal Service shall update the
2 plans required under subsection (a) not less frequently
3 than once every 5 years.

4 **SEC. 204. RETAIL SERVICE STANDARDS.**

5 (a) **ESTABLISHMENT OF SERVICE STANDARDS.**—Not
6 later than 1 year after the date of enactment of this Act,
7 the Postal Service shall exercise its authority under sec-
8 tion 3691 of title 39, United States Code, to establish
9 service standards for market-dominant products in order
10 to guarantee customers of the Postal Service regular and
11 effective access to retail postal services nationwide (includ-
12 ing in territories and possessions of the United States)
13 on a reasonable basis.

14 (b) **CONTENTS.**—The service standards established
15 under subsection (a) shall—

16 (1) be consistent with—

17 (A) the obligations of the Postal Service
18 under section 101(b) of title 39, United States
19 Code; and

20 (B) the contents of the plan developed
21 under section 302 of the Postal Accountability
22 and Enhancement Act of 2006 (39 U.S.C. 3691
23 note), as amended by section 202 of this Act;
24 and

25 (2) take into account factors including—

1 (A) geography, including the establishment
2 of standards for the proximity of retail postal
3 services to postal customers, including a consid-
4 eration of the reasonable maximum time a post-
5 al customer should expect to travel to access a
6 postal retail location;

7 (B) population, including population den-
8 sity, demographic factors such as the age and
9 disability status of individuals in the area to be
10 served by a location providing postal retail serv-
11 ices, and other factors that may impact the
12 ability of postal customers, including busi-
13 nesses, to travel to a postal retail location;

14 (C) the feasibility of offering retail access
15 to postal services in addition to post offices, as
16 described in section 302(d) of the Postal Ac-
17 countability and Enhancement Act of 2006 (39
18 U.S.C. 3691 note); and

19 (D) the requirement that the Postal Serv-
20 ice serve remote areas and communities with
21 transportation challenges, including commu-
22 nities in which the effects of inclement weather
23 or other natural conditions might obstruct or
24 otherwise impede access to retail postal serv-
25 ices.

1 **SEC. 205. CONVERSION OF DOOR DELIVERY POINTS.**

2 (a) IN GENERAL.—Subchapter VII of chapter 36 of
3 title 39, United States Code, is amended by adding at the
4 end the following:

5 **“§ 3692. Conversion of door delivery points**

6 “(a) DEFINITIONS.—In this section, the following
7 definitions shall apply:

8 “(1) CENTRALIZED DELIVERY POINT.—The
9 term ‘centralized delivery point’ means a group or
10 cluster of mail receptacles at 1 delivery point that is
11 within reasonable proximity of the street address as-
12 sociated with the delivery point.

13 “(2) CURBLINE DELIVERY POINT.—The term
14 ‘curbline delivery point’ means a delivery point that
15 is—

16 “(A) adjacent to the street address associ-
17 ated with the delivery point; and

18 “(B) accessible by vehicle on a street that
19 is not a private driveway.

20 “(3) DOOR DELIVERY POINT.—The term ‘door
21 delivery point’ means a delivery point at a door of
22 the structure at a street address.

23 “(4) SIDEWALK DELIVERY POINT.—The term
24 ‘sidewalk delivery point’ means a delivery point on a
25 sidewalk adjacent to the street address associated
26 with the delivery point.

1 “(b) ~~CONVERSION.~~—Except as provided in subsection
2 (e), not later than September 30, 2015, in accordance with
3 standards established by the Postal Service, the Postal
4 Service may, where feasible, convert door delivery points
5 to—

6 “(1) curbside delivery points;

7 “(2) sidewalk delivery points; or

8 “(3) centralized delivery points.

9 “(c) ~~EXCEPTIONS.~~—

10 “(1) ~~CONTINUED DOOR DELIVERY.~~—The Postal
11 Service may allow for the continuation of door deliv-
12 ery due to—

13 “(A) a physical hardship of a customer;

14 “(B) weather, in a geographic area where
15 snow removal efforts could obstruct access to
16 mailboxes near a road;

17 “(C) circumstances in an urban area that
18 preclude efficient use of curbside delivery
19 points;

20 “(D) other exceptional circumstances, as
21 determined in accordance with regulations
22 issued by the Postal Service; or

23 “(E) other circumstances in which the
24 Postal Service determines that alternatives to

1 door delivery would not be practical or cost ef-
2 fective.

3 “(2) NEW DOOR DELIVERY POINTS.—The Post-
4 al Service may provide door delivery to a new deliv-
5 ery point in a delivery area that received door deliv-
6 ery on the day before the date of enactment of this
7 section, if the delivery point is established before the
8 delivery area is converted from door delivery under
9 subsection (b).

10 “(d) SOLICITATION OF COMMENTS.—The Postal
11 Service shall establish procedures to solicit, consider, and
12 respond to input from individuals affected by a conversion
13 under this section.

14 “(e) REVIEW.—Subchapter V of this chapter shall
15 not apply with respect to any action taken by the Postal
16 Service under this section.

17 “(f) REPORT.—Not later than 60 days after the end
18 of each fiscal year through fiscal year 2015, the Postal
19 Service shall submit to Congress and the Inspector Gen-
20 eral of the Postal Service a report on the implementation
21 of this section during the preceding fiscal year that—

22 “(1) includes the number of door delivery
23 points—

24 “(A) that existed at the end of the fiscal
25 year preceding the preceding fiscal year;

1 “(B) that existed at the end of the pre-
2 ceding fiscal year;

3 “(C) that, during the preceding fiscal year,
4 converted to—

5 “(i) curblinē delivery points or side-
6 walk delivery points;

7 “(ii) centralized delivery points; and

8 “(iii) any other type of delivery point;

9 and

10 “(D) for which door delivery was continued
11 under subsection (e)(1);

12 “(2) estimates the cost savings from the conver-
13 sions from door delivery that occurred during the
14 preceding fiscal year;

15 “(3) describes the progress of the Postal Serv-
16 ice toward achieving the requirements under sub-
17 section (b); and

18 “(4) provides such additional information as the
19 Postal Service considers appropriate.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for subchapter VII of chapter 36 of title 39, United States
22 Code, is amended by adding at the end the following:

“3692. Conversion of door delivery points.”.

1 **SEC. 206. LIMITATIONS ON CHANGES TO MAIL DELIVERY**
2 **SCHEDULE.**

3 (a) **LIMITATION ON CHANGE IN SCHEDULE.**—Not-
4 withstanding any other provision of law—

5 (1) the Postal Service may not establish a gen-
6 eral, nationwide 5-day-per-week delivery schedule to
7 street addresses under the authority of the Postal
8 Service under section 3691 of title 39, United States
9 Code, earlier than the date that is 24 months after
10 the date of enactment of this Act; and

11 (2) on or after the date that is 24 months after
12 the date of enactment of this Act, the Postal Service
13 may establish a general, nationwide 5-day-per-week
14 delivery schedule to street addresses under the au-
15 thority of the Postal Service under section 3691 of
16 title 39, United States Code, only in accordance with
17 the requirements and limitations under this section.

18 (b) **PRECONDITIONS.**—If the Postal Service intends
19 to establish a change in delivery schedule under subsection
20 (a)(2), the Postal Service shall—

21 (1) identify customers and communities for
22 whom the change may have a disproportionate, neg-
23 ative impact, including the customers identified as
24 “particularly affected” in the Advisory Opinion on
25 Elimination of Saturday Delivery issued by the Com-
26 mission on March 24, 2011;

1 ~~(2)~~ develop, to the maximum extent possible,
2 measures to ameliorate any disproportionate, nega-
3 tive impact the change would have on customers and
4 communities identified under paragraph ~~(1)~~, includ-
5 ing, where appropriate, providing or expanding ac-
6 cess to mailboxes for periodical mailers on days on
7 which the Postal Service does not provide delivery;

8 ~~(3)~~ implement measures to increase revenue
9 and reduce costs, including the measures authorized
10 under the amendments made by sections ~~101, 102,~~
11 ~~103, 104, 204,~~ and 208 of this Act;

12 ~~(4)~~ evaluate whether any increase in revenue or
13 reduction in costs resulting from the measures im-
14 plemented under paragraph ~~(3)~~ are sufficient to
15 allow the Postal Service, without implementing a
16 change in delivery schedule under subsection ~~(a)~~,
17 to—

18 ~~(A)~~ become profitable by fiscal year 2015;

19 and

20 ~~(B)~~ achieve long-term financial solvency;

21 and

22 ~~(5)~~ not earlier than 15 months after the date
23 of enactment of this Act and not later than 9
24 months before the effective date proposed by the
25 Postal Service for the change, submit a report on

1 the steps the Postal Service has taken to carry out
2 this subsection to—

3 (A) the Committee on Homeland Security
4 and Governmental Affairs of the Senate and the
5 Committee on Oversight and Government Re-
6 form of the House of Representatives;

7 (B) the Comptroller General of the United
8 States; and

9 (C) the Commission.

10 (e) REVIEW.—

11 (1) GOVERNMENT ACCOUNTABILITY OFFICE.—

12 Not later than 3 months after the date on which the
13 Postal Service submits a report under subsection
14 (b)(5), the Comptroller General shall submit to the
15 Commission and to the Committee on Homeland Se-
16 curity and Governmental Affairs of the Senate and
17 the Committee on Oversight and Government Re-
18 form of the House of Representatives a report that
19 contains findings relating to each of the following:

20 (A) Whether the Postal Service has ade-
21 quately complied with subsection (b)(3), taking
22 into consideration the statutory authority of
23 and limitations on the Postal Service.

24 (B) The accuracy of any statement by the
25 Postal Service that the measures implemented

1 under subsection (b)(3) have increased revenues
2 or reduced costs, and the accuracy of any pro-
3 jection by the Postal Service relating to in-
4 creased revenue or reduced costs resulting from
5 the measures implemented under subsection
6 (b)(3).

7 (C) The adequacy and methodological
8 soundness of any evaluation conducted by the
9 Postal Service under subsection (b)(4) that led
10 the Postal Service to assert the necessity of a
11 change in delivery schedule under subsection
12 (a)(2).

13 (D) Whether, based on an analysis of the
14 measures implemented by the Postal Service to
15 increase revenues and reduce costs, projections
16 of increased revenue and cost savings, and the
17 details of the profitability plan required under
18 section 401, a change in delivery schedule is
19 necessary to allow the Postal Service to—

20 (i) become profitable by fiscal year

21 2015; and

22 (ii) achieve long-term financial sol-
23 veney.

24 (2) POSTAL REGULATORY COMMISSION.—

1 (A) REQUEST.—Not later than 6 months
2 before the proposed effective date of a change
3 in delivery schedule under subsection (a), the
4 Postal Service shall submit to the Commission
5 a request for an advisory opinion relating to the
6 change.

7 (B) ADVISORY OPINION.—

8 (i) IN GENERAL.—The Commission
9 shall—

10 (I) issue an advisory opinion with
11 respect to a request under subpara-
12 graph (A), in accordance with the
13 time limits for the issuance of advi-
14 sory opinions under section
15 3661(b)(2) of title 39, United States
16 Code, as amended by this Act; and

17 (II) submit the advisory opinion
18 to the Committee on Homeland Secu-
19 rity and Governmental Affairs of the
20 Senate and the Committee on Over-
21 sight and Government Reform of the
22 House of Representatives.

23 (ii) REQUIRED DETERMINATIONS.—

24 An advisory opinion under clause (i) shall
25 determine—

1 (I) whether the measures devel-
2 oped under subsection (b)(2) amelio-
3 rate any disproportionate, negative
4 impact that a change in schedule may
5 have on customers and communities
6 identified under subsection (b)(1); and

7 (II) based on the report sub-
8 mitted by the Comptroller General
9 under paragraph (1)—

10 (aa) whether the Postal
11 Service has implemented meas-
12 ures to reduce operating losses as
13 required under subsection (b)(3);

14 (bb) whether the implemen-
15 tation of the measures described
16 in item (aa) has increased reve-
17 nues or reduced costs, or is pro-
18 jected to further increase reve-
19 nues or reduce costs in the fu-
20 ture; and

21 (cc) whether a change in
22 schedule under subsection (a)(2)
23 is necessary to allow the Postal
24 Service to—

1 fewer than 6 days per week on the date of en-
2 actment of this Act;

3 ~~(B)~~ authorize any change in—

4 (i) the days and times that postal re-
5 tail service or any mail acceptance is avail-
6 able; or

7 (ii) the locations at which postal retail
8 service or mail acceptance occurs;

9 ~~(C)~~ authorize any change in the frequency
10 of delivery to a post office box;

11 ~~(D)~~ prohibit the collection or delivery of a
12 competitive mail product on a weekend or a rec-
13 ognized Federal holiday; or

14 ~~(E)~~ prohibit the Postal Service from exer-
15 cising its authority to make changes to proc-
16 essing or retail networks.

17 ~~(2) PROHIBITION ON CONSECUTIVE DAYS WITH-~~
18 ~~OUT MAIL DELIVERY.—~~The Postal Service shall en-
19 sure that, under any change in schedule under sub-
20 section ~~(a)(2)~~, at no time shall there be more than
21 ~~2~~ consecutive days without mail delivery to street
22 addresses, including recognized Federal holidays.

1 **SEC. 207. TIME LIMITS FOR CONSIDERATION OF SERVICE**
2 **CHANGES.**

3 Section 3661 of title 39, United States Code, is
4 amended by striking subsections (b) and (c) and inserting
5 the following:

6 “(b) **PROPOSED CHANGES FOR MARKET-DOMINANT**
7 **PRODUCTS.—**

8 “(1) **SUBMISSION OF PROPOSAL.—**If the Postal
9 Service determines that there should be a change in
10 the nature of postal services relating to market-dom-
11 inant products that will generally affect service on a
12 nationwide or substantially nationwide basis, the
13 Postal Service shall submit a proposal to the Postal
14 Regulatory Commission requesting an advisory opin-
15 ion on the change.

16 “(2) **ADVISORY OPINION.—**Upon receipt of a
17 proposal under paragraph (1), the Postal Regulatory
18 Commission shall—

19 “(A) provide an opportunity for public
20 comment on the proposal; and

21 “(B) issue an advisory opinion not later
22 than—

23 “(i) 90 days after the date on which
24 the Postal Regulatory Commission receives
25 the proposal; or

1 “(ii) a date that the Postal Regu-
2 latory Commission and the Postal Service
3 may, not later than 1 week after the date
4 on which the Postal Regulatory Commis-
5 sion receives the proposal, determine joint-
6 ly.

7 “(3) RESPONSE TO OPINION.—The Postal Serv-
8 ice shall submit to the President and to Congress a
9 response to the advisory opinion issued under para-
10 graph (2), including any recommendations contained
11 therein.

12 “(4) ACTION ON PROPOSAL.—The Postal Serv-
13 ice may take action regarding a proposal submitted
14 under paragraph (1)—

15 “(A) on or after the date that is 30 days
16 after the date on which the Postal Service sub-
17 mits the response required under paragraph
18 (3);

19 “(B) on or after a date that the Postal
20 Regulatory Commission and the Postal Service
21 may, not later than 1 week after the date on
22 which the Postal Regulatory Commission re-
23 ceives a proposal under paragraph (2), deter-
24 mine jointly; or

1 “(C) after the date described in paragraph
2 (2)(B), if—

3 “(i) the Postal Regulatory Commis-
4 sion fails to issue an advisory opinion on
5 or before the date described in paragraph
6 (2)(B); and

7 “(ii) the action is not otherwise pro-
8 hibited under Federal law.

9 “(5) MODIFICATION OF TIMELINE.—At any
10 time, the Postal Service and the Postal Regulatory
11 Commission may jointly redetermine a date deter-
12 mined under paragraph (2)(B)(ii) or (4)(B).”.

13 **SEC. 208. PUBLIC PROCEDURES FOR SIGNIFICANT**
14 **CHANGES TO MAILING SPECIFICATIONS.**

15 (a) NOTICE AND OPPORTUNITY FOR COMMENT RE-
16 **QUIRED.**—Effective on the date on which the Postal Serv-
17 ice issues a final rule under subsection (e), before making
18 a change to mailing specifications that could pose a sig-
19 nificant burden to the customers of the Postal Service and
20 that is not reviewed by the Commission, the Postal Service
21 shall—

22 (1) publish a notice of the proposed change to
23 the specification in the Federal Register;

1 (2) provide an opportunity for the submission
2 of written comments concerning the proposed change
3 for a period of not less than 30 days;

4 (3) after considering any comments submitted
5 under paragraph (2) and making any modifications
6 to the proposed change that the Postal Service de-
7 termines are necessary, publish—

8 (A) the final change to the specification in
9 the Federal Register;

10 (B) responses to any comments submitted
11 under paragraph (2); and

12 (C) an analysis of the financial impact that
13 the proposed change would have on—

14 (i) the Postal Service; and

15 (ii) the customers of the Postal Serv-
16 ice that would be affected by the proposed
17 change; and

18 (4) establish an effective date for the change to
19 mailing specifications that is not earlier than 30
20 days after the date on which the Postal Service pub-
21 lishes the final change under paragraph (3).

22 (b) EXCEPTION FOR GOOD CAUSE.—If the Postal
23 Service determines that there is an urgent and compelling
24 need for a change to a mailing specification described in
25 subsection (a) in order to avoid demonstrable harm to the

1 operations of the Postal Service or to the public interest,
2 the Postal Service may—

3 (1) change the mailing specifications by—

4 (A) issuing an interim final rule that—

5 (i) includes a finding by the Postal
6 Service that there is good cause for the in-
7 terim final rule;

8 (ii) provides an opportunity for the
9 submission of written comments on the in-
10 terim final rule for a period of not less
11 than 30 days; and

12 (iii) establishes an effective date for
13 the interim final rule that is not earlier
14 than 30 days after the date on which the
15 interim final rule is issued; and

16 (B) publishing in the Federal Register a
17 response to any comments submitted under
18 subparagraph (A)(ii); and

19 (2) waive the requirement under paragraph
20 (1)(A)(iii) or subsection (a)(4).

21 (c) RULES RELATING TO NOTICE AND COMMENT.—

22 (1) IN GENERAL.—Not later than 180 days
23 after the date of enactment of this Act, the Postal
24 Service shall issue rules governing the provision of

1 notice and opportunity for comment for changes in
2 mailing specifications under subsection (a).

3 ~~(2) RULES.—In issuing the rules required~~
4 ~~under paragraph (1), the Postal Service shall—~~

5 ~~(A) publish a notice of proposed rule-~~
6 ~~making in the Federal Register that includes~~
7 ~~proposed definitions of the terms “mailing spec-~~
8 ~~ifications” and “significant burden”;~~

9 ~~(B) provide an opportunity for the submis-~~
10 ~~sion of written comments concerning the pro-~~
11 ~~posed change for a period of not less than 30~~
12 ~~days; and~~

13 ~~(C) publish—~~

14 ~~(i) the rule in final form in the Fed-~~
15 ~~eral Register; and~~

16 ~~(ii) responses to the comments sub-~~
17 ~~mitted under subparagraph (B).~~

18 **SEC. 209. NONPOSTAL PRODUCTS AND SERVICES.**

19 ~~(a) IN GENERAL.—Section 404 of title 39, United~~
20 ~~States Code, is amended—~~

21 ~~(1) in subsection (a)—~~

22 ~~(A) by redesignating paragraphs (6)~~
23 ~~through (8) as paragraphs (7) through (9), re-~~
24 ~~spectively; and~~

1 (B) by inserting after paragraph (5) the
2 following:

3 “(6) after the date of enactment of the 21st
4 Century Postal Service Act of 2011, and except as
5 provided in subsection (e), to provide other services
6 that are not postal services, after the Postal Regu-
7 latory Commission—

8 “(A) makes a determination that the provi-
9 sion of such services—

10 “(i) uses the processing, transpor-
11 tation, delivery, retail network, or tech-
12 nology of the Postal Service;

13 “(ii) is consistent with the public in-
14 terest and a demonstrated or potential
15 public demand for—

16 “(I) the Postal Service to provide
17 the services instead of another entity
18 providing the services; or

19 “(II) the Postal Service to pro-
20 vide the services in addition to an-
21 other entity providing the services;

22 “(iii) would not create unfair competi-
23 tion with the private sector; and

24 “(iv) has the potential to improve the
25 net financial position of the Postal Service;

1 based on a market analysis provided to the
2 Postal Regulatory Commission by the
3 Postal Service; and

4 “(B) for services that the Postal Regu-
5 latory Commission determines meet the criteria
6 under subparagraph (A); classifies each such
7 service as a market-dominant product, competi-
8 tive product, experimental product, or new
9 product, as required under chapter 36 of title
10 39, United States Code;” and

11 (2) in subsection (e)(2), by striking “Nothing”
12 and all that follows through “except that the” and
13 inserting “The”.

14 (b) MARKET ANALYSIS.—During the 5-year period
15 beginning on the date of enactment of this Act, the Postal
16 Service shall submit a copy of any market analysis pro-
17 vided to the Commission under section 404(a)(6)(A)(iv)
18 of title 39, United States Code, as amended by this sec-
19 tion, to the Committee on Homeland Security and Govern-
20 mental Affairs of the Senate and the Committee on Over-
21 sight and Government Reform of the House of Represent-
22 atives.

1 **TITLE III—FEDERAL EMPLOY-**
 2 **EES' COMPENSATION ACT**

3 **SEC. 301. SHORT TITLE; REFERENCES.**

4 (a) **SHORT TITLE.**—This title may be cited as the
 5 “Workers’ Compensation Reform Act of 2011”.

6 (b) **REFERENCES.**—Except as otherwise expressly
 7 provided, whenever in this title an amendment or repeal
 8 is expressed in terms of an amendment to, or a repeal
 9 of, a section or other provision, the reference shall be con-
 10 sidered to be made to a section or other provision of title
 11 5, United States Code.

12 **SEC. 302. FEDERAL WORKERS COMPENSATION REFORMS**
 13 **FOR RETIREMENT-AGE EMPLOYEES.**

14 (a) **CONVERSION OF ENTITLEMENT AT RETIREMENT**
 15 **AGE.**—

16 (1) **DEFINITIONS.**—Section 8101 is amended

17 (A) in paragraph (18), by striking “and”
 18 at the end;

19 (B) in paragraph (19), by striking “and”
 20 at the end;

21 (C) in paragraph (20), by striking the pe-
 22 riod at the end and inserting a semicolon; and

23 (D) by adding at the end the following:

1 “(21) ‘retirement age’ has the meaning given
2 that term under section 216(l)(1) of the Social Security
3 Act (42 U.S.C. 416(l)(1));

4 “(22) ‘covered claim for total disability’ means
5 a claim for a period of total disability that commenced
6 before the date of enactment of the Workers’ Compensation Reform Act of 2011;

7 “(23) ‘covered claim for partial disability’
8 means a claim for a period of partial disability that
9 commenced before the date of enactment of the
10 Workers’ Compensation Reform Act of 2011; and

11 “(24) ‘individual who has an exempt disability
12 condition’ means an individual—

13 “(A) who—

14 “(i) is eligible to receive continuous
15 periodic compensation for total disability
16 under section 8105 on the date of enact-
17 ment of the Workers’ Compensation Re-
18 form Act of 2011; and

19 “(ii) meets the criteria under 8105(e);

20 “(B) who, on the date of enactment of the
21 Workers’ Compensation Reform Act of 2011—

22 “(i) is eligible to receive continuous
23 periodic compensation for total disability
24 under section 8105; and
25

1 “(ii) has sustained a currently irre-
2 versible severe mental or physical disability
3 for which the Secretary of Labor has au-
4 thorized, for at least the 1 year period end-
5 ing on the date of enactment of the Work-
6 ers’ Compensation Reform Act of 2011,
7 constant in-home care or custodial care,
8 such as in placement in a nursing home; or
9 “(C) who is eligible to receive continuous
10 periodic compensation for total disability under
11 section 8105—

12 “(i) for not less than the 3-year pe-
13 riod ending on the date of enactment of
14 the Workers’ Compensation Reform Act of
15 2011; or

16 “(ii) if the individual became eligible
17 to receive continuous periodic compensa-
18 tion for total disability under section 8105
19 during the period beginning on the date
20 that is 3 years before the date of enact-
21 ment of the Workers’ Compensation Re-
22 form Act of 2011 and ending on such date
23 of enactment, for not less than the 3-year
24 period beginning on the date on which the
25 individual became eligible.”.

1 (2) TOTAL DISABILITY.—Section 8105 is
2 amended—

3 (A) in subsection (a), by striking “If” and
4 inserting “IN GENERAL.—Subject to subsection
5 (b), if”;

6 (B) by redesignating subsection (b) as sub-
7 section (c); and

8 (C) by inserting after subsection (a) the
9 following:

10 “(b) CONVERSION OF ENTITLEMENT AT RETIRE-
11 MENT AGE.—

12 “(1) IN GENERAL.—Except as provided in para-
13 graph (2), the basic compensation for total disability
14 for an employee who has attained retirement age
15 shall be 50 percent of the monthly pay of the em-
16 ployee.

17 “(2) EXCEPTIONS.—

18 “(A) COVERED RECIPIENTS WHO ARE RE-
19 TIREMENT AGE OR HAVE AN EXEMPT DIS-
20 ABILITY CONDITION.—Paragraph (1) shall not
21 apply to a covered claim for total disability by
22 an employee if the employee—

23 “(i) on the date of enactment of the
24 Workers’ Compensation Reform Act of
25 2011, has attained retirement age; or

1 “(ii) is an individual who has an ex-
2 empt disability condition.

3 ~~“(B) TRANSITION PERIOD FOR CERTAIN~~
4 ~~EMPLOYEES.—For a covered claim for total dis-~~
5 ~~ability by an employee who is not an employee~~
6 ~~described in subparagraph (A), the employee~~
7 ~~shall receive the basic compensation for total~~
8 ~~disability provided under subsection (a) until~~
9 ~~the later of—~~

10 ~~“(i) the date on which the employee~~
11 ~~attains retirement age; and~~

12 ~~“(ii) the date that is 3 years after the~~
13 ~~date of enactment of the Workers’ Com-~~
14 ~~ensation Reform Act of 2011.”.~~

15 ~~(3) PARTIAL DISABILITY.—Section 8106 is~~
16 ~~amended—~~

17 ~~(A) in subsection (a), by striking “If” and~~
18 ~~inserting “IN GENERAL.—Subject to subsection~~
19 ~~(b), if”;~~

20 ~~(B) by redesignating subsections (b) and~~
21 ~~(c) as subsections (c) and (d), respectively; and~~

22 ~~(C) by inserting after subsection (a) the~~
23 ~~following:~~

24 ~~“(b) CONVERSION OF ENTITLEMENT AT RETIRE-~~
25 ~~MENT AGE.—~~

1 ~~“(1) IN GENERAL.—Except as provided in para-~~
2 ~~graph (2), the basic compensation for partial dis-~~
3 ~~ability for an employee who has attained retirement~~
4 ~~age shall be 50 percent of the difference between the~~
5 ~~monthly pay of the employee and the monthly wage-~~
6 ~~earning capacity of the employee after the beginning~~
7 ~~of the partial disability.~~

8 ~~“(2) EXCEPTIONS.—~~

9 ~~“(A) COVERED RECIPIENTS WHO ARE RE-~~
10 ~~TIREMENT AGE.—Paragraph (1) shall not apply~~
11 ~~to a covered claim for partial disability by an~~
12 ~~employee if, on the date of enactment of~~
13 ~~the Workers’ Compensation Reform Act of 2011,~~
14 ~~the employee has attained retirement age.~~

15 ~~“(B) TRANSITION PERIOD FOR CERTAIN~~
16 ~~EMPLOYEES.—For a covered claim for partial~~
17 ~~disability by an employee who is not an em-~~
18 ~~ployee described in subparagraph (A), the em-~~
19 ~~ployee shall receive basic compensation for par-~~
20 ~~tial disability in accordance with subsection (a)~~
21 ~~until the later of—~~

22 ~~“(i) the date on which the employee~~
23 ~~attains retirement age; and~~

1 “(ii) the date that is 3 years after the
2 date of enactment of the Workers’ Com-
3 pensation Reform Act of 2011.”.

4 **SEC. 303. AUGMENTED COMPENSATION FOR DEPENDENTS.**

5 (a) IN GENERAL.—Section 8110 is amended—

6 (1) by redesignating subsection (b) as sub-
7 section (c); and

8 (2) by inserting after subsection (a) the fol-
9 lowing:

10 “(b) TERMINATION OF AUGMENTED COMPENSA-
11 TION.—

12 “(1) IN GENERAL.—Subject to paragraph (2),
13 augmented compensation for dependants under sub-
14 section (c) shall not be provided.

15 “(2) EXCEPTIONS.—

16 “(A) TOTAL DISABILITY.—For a covered
17 claim for total disability by an employee—

18 “(i) the employee shall receive aug-
19 mented compensation under subsection (c)
20 if the employee is an individual who has an
21 exempt disability condition; and

22 “(ii) the employee shall receive aug-
23 mented compensation under subsection (c)
24 until the date that is 3 years after the date
25 of enactment of the Workers’ Compensa-

1 tion Reform Act of 2011 if the employee is
2 not an employee described in clause (i).

3 “(B) ~~PARTIAL DISABILITY.~~—For a covered
4 claim for partial disability by an employee, the
5 employee shall receive augmented compensation
6 under subsection (e) until the date that is 3
7 years after the date of enactment of the Work-
8 ers’ Compensation Reform Act of 2011.

9 “(C) ~~PERMANENT DISABILITY COM-~~
10 ~~PENSATED BY A SCHEDULE.~~—For a claim for a
11 permanent disability described in section
12 8107(a) by an employee that commenced before
13 the date of enactment of the Workers’ Com-
14 pensation Reform Act of 2011, the employee
15 shall receive augmented compensation under
16 subsection (e).”.

17 (b) ~~MAXIMUM AND MINIMUM MONTHLY PAY-~~
18 ~~MENTS.~~—Section 8112 is amended—

19 (1) in subsection (a)—

20 (A) by inserting “subsections (b) and (e)
21 and” before “section 8138”;

22 (B) by striking “including augmented com-
23 pensation under section 8110 of this title but”;
24 and

1 (C) by striking “75 percent” each place it
2 appears and inserting “66 $\frac{2}{3}$ percent”;

3 (2) by redesignating subsection (b) as sub-
4 section (c);

5 (3) by inserting after subsection (a) the fol-
6 lowing:

7 “(b) EXCEPTIONS.—

8 “(1) COVERED DISABILITY CONDITION.—For a
9 covered claim for total disability by an employee, if
10 the employee is an individual who has an exempt
11 disability condition—

12 “(A) the monthly rate of compensation for
13 disability that is subject to the maximum and
14 minimum monthly amounts under subsection
15 (a) shall include any augmented compensation
16 under section 8110; and

17 “(B) subsection (a) shall be applied by
18 substituting ‘75 percent’ for ‘66 $\frac{2}{3}$ percent’
19 each place it appears.

20 “(2) PARTIAL DISABILITY.—For a covered
21 claim for partial disability by an employee, until the
22 date that is 3 years after the date of enactment of
23 the Workers’ Compensation Reform Act of 2011—

24 “(A) the monthly rate of compensation for
25 disability that is subject to the maximum and

1 minimum monthly amounts under subsection
 2 (a) shall include any augmented compensation
 3 under section 8110; and

4 “(B) subsection (a) shall be applied by
 5 substituting ‘75 percent’ for ‘66 $\frac{2}{3}$ percent’
 6 each place it appears.”; and

7 (4) in subsection (c), as redesignated by para-
 8 graph (2), by striking “subsection (a)” and inserting
 9 “subsections (a) and (b)”.

10 (c) DEATH BENEFITS GENERALLY.—Section 8133 is
 11 amended—

12 (1) in subsections (a) and (c), by striking “75
 13 percent” each place it appears and inserting “66 $\frac{2}{3}$
 14 percent (except as provided in subsection (g))”; and

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

16 “(g) If the death occurred before the date of enact-
 17 ment of the Workers’ Compensation Reform Act of 2011,
 18 subsections (a) and (c) shall be applied by substituting
 19 ‘75 percent’ for ‘66 $\frac{2}{3}$ percent’ each place it appears.”.

20 (d) DEATH BENEFITS FOR CIVIL AIR PATROL VOL-
 21 UNTEERS.—Section 8141 is amended—

22 (1) in subsection (b)(2)(B) by striking “75 per-
 23 cent” and inserting “66 $\frac{2}{3}$ percent (except as pro-
 24 vided in subsection (c))”;

1 (2) by redesignating subsection (e) as sub-
2 section (d); and

3 (3) by inserting after subsection (b) the fol-
4 lowing:

5 “(e) If the death occurred before the date of enact-
6 ment of the Workers’ Compensation Reform Act of 2011,
7 subsection (b)(2)(B) shall be applied by substituting ‘75
8 percent’ for ‘66 $\frac{2}{3}$ percent.’”.

9 **SEC. 304. SCHEDULE COMPENSATION PAYMENTS.**

10 Section 8107 is amended—

11 (1) in subsection (a), by striking “at the rate
12 of 66 $\frac{2}{3}$ percent of his monthly pay” and inserting
13 “at the rate specified under subsection (d)”; and

14 (2) by adding at the end the following:

15 “(d) **RATE FOR COMPENSATION.—**

16 “(1) **ANNUAL SALARY.—**

17 “(A) **IN GENERAL.—**Except as provided in
18 paragraph (2), the rate under subsection (a)
19 shall be the rate of 66 $\frac{2}{3}$ percent of the annual
20 salary level established under subparagraph
21 (B), in a lump sum equal to the present value
22 (as calculated under subparagraph (C)) of the
23 amount of compensation payable under the
24 schedule.

25 “(B) **ESTABLISHMENT.—**

1 “(i) IN GENERAL.—The Secretary of
2 Labor shall establish an annual salary for
3 purposes of subparagraph (A) in the
4 amount the Secretary determines will re-
5 sult in the aggregate cost of payments
6 made under this section being equal to
7 what would have been the aggregate cost
8 of payments under this section if the
9 amendments made by section 304(a) of the
10 Workers’ Compensation Reform Act of
11 2011 had not been enacted.

12 “(ii) COST OF LIVING ADJUSTMENT.—
13 The annual salary established under clause
14 (i) shall be increased on March 1 of each
15 year by the amount determined by the Sec-
16 retary of Labor to represent the percent
17 change in the price index published for De-
18 cember of the preceding year over the price
19 index published for the December of the
20 year prior to the preceding year, adjusted
21 to the nearest one-tenth of 1 percent.

22 “(C) PRESENT VALUE.—The Secretary of
23 Labor shall calculate the present value for pur-
24 poses of subparagraph (A) using a rate of inter-
25 est equal to the average market yield for out-

1 standing marketable obligations of the United
2 States with a maturity of 2 years on the first
3 business day of the month in which the com-
4 pensation is paid or, in the event that such
5 marketable obligations are not being issued on
6 such date, at an equivalent rate selected by the
7 Secretary of Labor, true discount compounded
8 annually.

9 “(2) CERTAIN INJURIES.—For an injury that
10 occurred before the date of enactment of the Work-
11 ers’ Compensation Reform Act of 2011, the rate
12 under subsection (a) shall be $66\frac{2}{3}$ percent of the
13 employee’s monthly pay.

14 “(e) SIMULTANEOUS RECEIPT.—

15 “(1) TOTAL DISABILITY.—An employee who re-
16 ceives compensation for total disability under section
17 8105 may only receive the lump sum of schedule
18 compensation under this section in addition to and
19 simultaneously with the benefits for total disability
20 after the later of—

21 “(A) the date on which the basic com-
22 pensation for total disability of the employee be-
23 comes 50 percent of the monthly pay of the em-
24 ployee under section 8105(b); or

1 “(B) the date on which augmented com-
 2 pensation of the employee terminates under sec-
 3 tion 8110(b)(2)(A)(ii), if the employee receives
 4 such compensation.

5 “(2) PARTIAL DISABILITY.—An employee who
 6 receives benefits for partial disability under section
 7 8106 may only receive the lump sum of schedule
 8 compensation under this section in addition to and
 9 simultaneously with the benefits for partial disability
 10 after the later of—

11 “(A) the date on which the basic com-
 12 pensation for partial disability of the employee
 13 becomes 50 percent of the difference between
 14 the monthly pay of the employee and the
 15 monthly wage-earning capacity of the employee
 16 after the beginning of the partial disability
 17 under section 8106(b); or

18 “(B) the date on which augmented com-
 19 pensation of the employee terminates under sec-
 20 tion 8110(b)(2)(B), if the employee receives
 21 such compensation.”.

22 **SEC. 305. VOCATIONAL REHABILITATION.**

23 (a) IN GENERAL.—Section 8104 is amended—

24 (1) in subsection (a)—

1 (A) by striking “(a) The Secretary of
2 Labor may” and all that follows through “un-
3 dergo vocational rehabilitation.” and inserting
4 the following:

5 “(a) IN GENERAL.—

6 “(1) DIRECTION.—Except as provided in para-
7 graph (2), not earlier than the date that is 6 months
8 after the date on which an individual eligible for
9 wage-loss compensation under section 8105 or 8106
10 is injured, or by such other date as the Secretary of
11 Labor determines it would be reasonable under the
12 circumstances for the individual to begin vocational
13 rehabilitation, and if vocational rehabilitation may
14 enable the individual to become capable of more
15 gainful employment, the Secretary of Labor shall di-
16 rect the individual to participate in developing a
17 comprehensive return to work plan and to undergo
18 vocational rehabilitation at a location a reasonable
19 distance from the residence of the individual.”;

20 (B) by striking “the Secretary of Health,
21 Education, and Welfare in carrying out the pur-
22 poses of chapter 4 of title 29” and inserting
23 “the Secretary of Education in carrying out the
24 purposes of the Rehabilitation Act of 1973 (29
25 U.S.C. 701 et seq.)”;

1 (C) by striking “under section 32(b)(1) of
2 title 29” and inserting “under section 5 of the
3 Rehabilitation Act of 1973 (29 U.S.C. 704)”;
4 and

5 (D) by adding at the end the following:

6 “~~(2) EXCEPTION.—~~The Secretary of Labor may
7 not direct an individual who has attained retirement
8 age to participate in developing a comprehensive re-
9 turn to work plan or to undergo vocational rehabili-
10 tation.”;

11 ~~(2)~~ by redesignating subsection (b) as sub-
12 section (c);

13 ~~(3)~~ by inserting after subsection (a) the fol-
14 lowing:

15 “~~(b) CONTENTS OF RETURN TO WORK PLAN.—~~A re-
16 turn to work plan developed under subsection (a)—

17 ~~(1)~~ shall—

18 “~~(A)~~ set forth specific measures designed
19 to increase the wage-earning capacity of an in-
20 dividual;

21 “~~(B)~~ take into account the prior training
22 and education of the individual and the train-
23 ing, educational, and employment opportunities
24 reasonably available to the individual; and

1 “(C) provide that any employment under-
 2 taken by the individual under the return to
 3 work plan be at a location a reasonable distance
 4 from the residence of the individual;

5 “(2) may provide that the Secretary will pay
 6 out of amounts in the Employees’ Compensation
 7 Fund reasonable expenses of vocational rehabilita-
 8 tion (which may include tuition, books, training fees,
 9 supplies, equipment, and child or dependent care)
 10 during the course of the plan; and

11 “(3) may not be for a period of more than 2
 12 years, unless the Secretary finds good cause to grant
 13 an extension, which may be for not more than 2
 14 years.”;

15 (4) in subsection (c), as so redesignated—

16 (A) by inserting “COMPENSATION.—” be-
 17 fore “Notwithstanding”; and

18 (B) by striking “, other than employment
 19 undertaken pursuant to such rehabilitation”;
 20 and

21 (5) by adding at the end the following:

22 “(d) ASSISTED REEMPLOYMENT AGREEMENTS.—

23 “(1) IN GENERAL.—The Secretary may enter
 24 into an assisted reemployment agreement with an
 25 agency or instrumentality of any branch of the Fed-

1 eral Government or a State or local government or
 2 a private employer that employs an individual eligi-
 3 ble for wage-loss compensation under section 8105
 4 or 8106 to enable the individual to return to produc-
 5 tive employment.

6 “(2) CONTENTS.—An assisted reemployment
 7 agreement under paragraph (1)—

8 “(A) may provide that the Secretary will
 9 use amounts in the Employees’ Compensation
 10 Fund to reimburse an employer in an amount
 11 equal to not more than 100 percent of the com-
 12 pensation the individual would otherwise receive
 13 under section 8105 or 8106; and

14 “(B) may not be for a period of more than
 15 3 years.

16 “(c) LIST.—To facilitate the hiring of individuals eli-
 17 gible for wage-loss compensation under section 8105 or
 18 8106, the Secretary shall provide a list of such individuals
 19 to the Office of Personnel Management, which the Office
 20 of Personnel Management shall provide to all agencies and
 21 instrumentalities of the Federal Government.”.

22 (b) TERMINATION OF VOCATIONAL REHABILITATION
 23 REQUIREMENT AFTER RETIREMENT AGE.—Section
 24 8113(b) is amended by adding at the end the following:

1 “An individual who has attained retirement age may not
2 be required to undergo vocational rehabilitation.”.

3 (c) ~~MANDATORY BENEFIT REDUCTION FOR NON-~~
4 ~~COMPLIANCE.~~—Section 8113(b) is amended by striking
5 “may reduce” and inserting “shall reduce”.

6 (d) ~~TECHNICAL AND CONFORMING AMENDMENTS.~~—

7 (1) ~~IN GENERAL.~~—Subchapter III of chapter
8 15 of title 31, United States Code, is amended by
9 adding at the end the following:

10 **“§ 1538. Authorization for assisted reemployment**

11 “Funds may be transferred from the Employees’
12 Compensation Fund established under section 8147 of
13 title 5 to the applicable appropriations account for an
14 agency or instrumentality of any branch of the Federal
15 Government for the purposes of reimbursing the agency
16 or instrumentality in accordance with an assisted reem-
17 ployment agreement entered into under section 8104 of
18 title 5.”.

19 (2) ~~TABLE OF SECTIONS.~~—The table of sections
20 for chapter 15 of title 31, United States Code, is
21 amended by inserting after the item relating to sec-
22 tion 1537 the following:

“1538. Authorization for assisted reemployment.”.

23 **SEC. 306. REPORTING REQUIREMENTS.**

24 (a) ~~IN GENERAL.~~—Chapter 81 is amended by insert-
25 ing after section 8106 the following:

1 **“§ 8106a. Reporting requirements**

2 “(a) DEFINITION.—In this section, the term ‘em-
3 ployee receiving compensation’ means an employee who—

4 “(1) is paid compensation under section 8105
5 or 8106; and

6 “(2) has not attained retirement age.

7 “(b) AUTHORITY.—The Secretary of Labor shall re-
8 quire an employee receiving compensation to report the
9 earnings of the employee receiving compensation from em-
10 ployment or self-employment, by affidavit or otherwise, in
11 the manner and at the times the Secretary specifies.

12 “(c) CONTENTS.—An employee receiving compensa-
13 tion shall include in a report required under subsection
14 (a) the value of housing, board, lodging, and other advan-
15 tages which are part of the earnings of the employee re-
16 ceiving compensation in employment or self-employment
17 and the value of which can be estimated.

18 “(d) FAILURE TO REPORT AND FALSE REPORTS.—

19 “(1) IN GENERAL.—An employee receiving com-
20 pensation who fails to make an affidavit or other re-
21 port required under subsection (b) or who knowingly
22 omits or understates any part of the earnings of the
23 employee in such an affidavit or other report shall
24 forfeit the right to compensation with respect to any
25 period for which the report was required.

1 ~~“(2) FORFEITED COMPENSATION.—~~Compensa-
 2 tion forfeited under this subsection, if already paid
 3 to the employee receiving compensation, shall be re-
 4 covered by a deduction from the compensation pay-
 5 able to the employee or otherwise recovered under
 6 section 8129, unless recovery is waived under that
 7 section.”.

8 ~~(b) TECHNICAL AND CONFORMING AMENDMENTS.—~~
 9 The table of sections for chapter 81 is amended by insert-
 10 ing after the item relating to section 8106 the following:
 “8106a. Reporting requirements.”.

11 **SEC. 307. DISABILITY MANAGEMENT REVIEW; INDE-**
 12 **PENDENT MEDICAL EXAMINATIONS.**

13 Section 8123 is amended by adding at the end the
 14 following:

15 ~~“(e) DISABILITY MANAGEMENT REVIEW.—~~
 16 ~~“(1) DEFINITIONS.—~~In this subsection—
 17 ~~“(A) the term ‘covered employee’ means an~~
 18 employee who is in continuous receipt of com-
 19 pensation for total disability under section 8105
 20 for a period of not less than 6 months; and
 21 ~~“(B) the term ‘disability management re-~~
 22 view process’ means the disability management
 23 review process established under paragraph
 24 ~~(2)(A).~~

1 “(2) ESTABLISHMENT.—The Secretary of
2 Labor shall—

3 “(A) establish a disability management re-
4 view process for the purpose of certifying and
5 monitoring the disability status and extent of
6 injury of each covered employee; and

7 “(B) promulgate regulations for the ad-
8 ministration of the disability management re-
9 view process.

10 “(3) PHYSICAL EXAMINATIONS REQUIRED.—

11 Under the disability management review process, the
12 Secretary of Labor shall periodically require covered
13 employees to submit to physical examinations under
14 subsection (a) by physicians selected by the Sec-
15 retary. A physician conducting a physical examina-
16 tion of a covered employee shall submit to the Sec-
17 retary a report regarding the nature and extent of
18 the injury to and disability of the covered employee.

19 “(4) FREQUENCY.—

20 “(A) IN GENERAL.—The regulations pro-
21 mulgated under paragraph (2)(B) shall specify
22 the process and criteria for determining when
23 and how frequently a physical examination
24 should be conducted for a covered employee.

25 “(B) MINIMUM FREQUENCY.—

1 “(i) INITIAL.—An initial physical ex-
 2 amination shall be conducted not more
 3 than a brief period after the date on which
 4 a covered employee has been in continuous
 5 receipt of compensation for total disability
 6 under section 8015 for 6 months.

7 “(ii) SUBSEQUENT EXAMINATIONS.—
 8 After the initial physical examination,
 9 physical examinations of a covered em-
 10 ployee shall be conducted not less than
 11 once every 3 years.

12 “(5) EMPLOYING AGENCY OR INSTRUMEN-
 13 TALITY REQUESTS.—

14 “(A) IN GENERAL.—The agency or instru-
 15 mentality employing an employee who has made
 16 a claim for compensation for total disability
 17 under section 8105 may at any time submit a
 18 request for the Secretary of Labor to promptly
 19 require the employee to submit to a physical ex-
 20 amination under this subsection.

21 “(B) REQUESTING OFFICER.—A request
 22 under subparagraph (A) shall be made on be-
 23 half of an agency or instrumentality by—

24 “(i) the head of the agency or instru-
 25 mentality;

1 “(ii) the Chief Human Capital Officer
2 of the agency or instrumentality; or

3 “(iii) if the agency or instrumentality
4 does not have a Chief Human Capital Offi-
5 cer, an officer with responsibilities similar
6 to those of a Chief Human Capital Officer
7 designated by the head of the agency or in-
8 strumentality to make requests under this
9 paragraph.

10 “(C) INFORMATION.—A request under sub-
11 paragraph (A) shall be in writing and accom-
12 panied by—

13 “(i) a certification by the officer mak-
14 ing the request that the officer has re-
15 viewed the relevant material in the employ-
16 ee’s file;

17 “(ii) an explanation of why the officer
18 has determined, based on the materials in
19 the file and other information known to
20 the officer, that requiring a physical exam-
21 ination of the employee under this sub-
22 section is necessary; and

23 “(iii) copies of the materials relating
24 to the employee that are relevant to the of-
25 ficer’s determination and request, unless

1 the agency or instrumentality has a rea-
2 sonable basis for not providing the mate-
3 rials.

4 “(D) EXAMINATION.—If the Secretary of
5 Labor receives a request under this paragraph
6 before an employee has undergone an initial
7 physical examination under paragraph
8 (4)(B)(i), the Secretary shall promptly require
9 the physical examination of the employee. A
10 physical examination under this subparagraph
11 shall satisfy the requirement under paragraph
12 (4)(B)(i) that an initial physical examination be
13 conducted.

14 “(E) AFTER INITIAL EXAMINATION.—

15 “(i) IN GENERAL.—If the Secretary of
16 Labor receives a request under this para-
17 graph after an employee has undergone an
18 initial physical examination under para-
19 graph (4)(B)(i), the Secretary shall—

20 “(I) review the request and the
21 information, explanation, and other
22 materials submitted with the request;
23 and

24 “(II) determine whether to re-
25 quire the physical examination of the

1 employee who is the subject of the re-
2 quest.

3 “(ii) ~~NOT GRANTED.~~—If the Secretary
4 determines not to grant a request de-
5 scribed in clause (i), the Secretary shall
6 promptly notify the officer who made the
7 request and provide an explanation of the
8 reasons why the request was denied.”.

9 **SEC. 308. WAITING PERIOD.**

10 (a) ~~IN GENERAL.~~—Section 8117 is amended—

11 (1) in the section heading, by striking “**Time**
12 **of accrual of right**” and inserting “**Waiting**
13 **period**”;

14 (2) in subsection (a)—

15 (A) in the matter preceding paragraph (1),
16 by striking “An employee” and all that follows
17 through “is not entitled” and inserting “~~IN~~
18 ~~GENERAL.~~—An employee is not entitled to con-
19 tinuation of pay within the meaning of section
20 8118 for the first 3 days of temporary disability
21 or, if section 8118 does not apply, is not enti-
22 tled”;

23 (B) in paragraph (1), by adding “or” at
24 the end;

25 (C) by striking paragraph (2); and

1 (D) by redesignating paragraph (3) as
2 paragraph (2); and
3 (3) in subsection (b)—

4 (A) by striking “A Postal Service” the first
5 place it appears and all that follows through “A
6 Postal Service” the second place it appears and
7 inserting “USE OF LEAVE.—An”;

8 (B) by striking “that 3-day period” and in-
9 serting “the first 3 days of temporary dis-
10 ability”; and

11 (C) by striking “or is followed by perma-
12 nent disability”.

13 (b) CONTINUATION OF PAY.—Section 8118 is amend-
14 ed—

15 (1) in the section heading, by striking “; **elec-**
16 **tion to use annual or sick leave**”;

17 (2) in subsection (b)(1), by striking “section
18 8117(b)” and inserting “section 8117”;

19 (3) by striking subsection (c); and

20 (4) by redesignating subsections (d) and (e) as
21 subsections (e) and (d), respectively.

22 (c) TECHNICAL AND CONFORMING AMENDMENTS.—

23 The table of sections for chapter 81 is amended by strik-
24 ing the items relating to sections 8117 and 8118 and in-
25 serting the following:

“8117. Waiting period.

“8118. Continuation of pay.”.

1 **SEC. 309. ELECTION OF BENEFITS.**

2 (a) **IN GENERAL.**—Section 8116 is amended by add-
3 ing at the end the following:

4 “(c) **RETIREMENT BENEFITS.**—

5 “(1) **IN GENERAL.**—An individual entitled to
6 compensation benefits payable under this subchapter
7 and under chapter 83 or 84 or any other retirement
8 system for employees of the Government, for the
9 same period, shall elect which benefits the individual
10 will receive.

11 “(2) **ELECTION.**—

12 “(A) **DEADLINE.**—An individual shall
13 make an election under paragraph (1) in ac-
14 cordance with such deadlines as the Secretary
15 of Labor shall establish.

16 “(B) **REVOCABILITY.**—An election under
17 paragraph (1) shall be revocable, notwith-
18 standing any other provision of law, except for
19 any period during which an individual—

20 “(i) was qualified for benefits payable
21 under both this subchapter and under a re-
22 tirement system described in paragraph
23 (1); and

1 “(ii) was paid benefits under the re-
 2 tirement system after having been notified
 3 of eligibility for benefits under this sub-
 4 chapter.

5 “(3) INFORMED CHOICE.—The Secretary of
 6 Labor shall provide information, and shall ensure
 7 that information is provided, to an individual de-
 8 scribed in paragraph (1) about the benefits available
 9 to the individual under this subchapter or under
 10 chapter 83 or 84 or any other retirement system re-
 11 ferred to in paragraph (1) the individual may elect
 12 to receive.”.

13 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
 14 Sections 8337(f)(3) and 8464a(a)(3) are each amended by
 15 striking “Paragraphs” and inserting “Except as provided
 16 under chapter 81, paragraphs”.

17 **SEC. 310. SANCTION FOR NONCOOPERATION WITH FIELD**
 18 **NURSES.**

19 Section 8123, as amended by section 307, is amended
 20 by adding at the end the following:

21 “(f) FIELD NURSES.—

22 “(1) DEFINITION.—In this subsection, the term
 23 ‘field nurse’ means a registered nurse that assists
 24 the Secretary in the medical management of dis-
 25 ability claims under this subchapter and provides

1 claimants with assistance in coordinating medical
2 care.

3 “(2) AUTHORIZATION.—The Secretary may use
4 field nurses to coordinate medical services and voca-
5 tional rehabilitation programs for injured employees
6 under this subchapter. If an employee refuses to co-
7 operate with a field nurse or obstructs a field nurse
8 in the performance of duties under this subchapter,
9 the right to compensation under this subchapter
10 shall be suspended until the refusal or obstruction
11 stops.”.

12 **SEC. 311. SUBROGATION OF CONTINUATION OF PAY.**

13 (a) IN GENERAL.—Section 8131 is amended—

14 (1) in subsection (a), in the matter preceding
15 paragraph (1), by inserting “continuation of pay or”
16 before “compensation”; and

17 (2) in subsection (b), by inserting “continuation
18 of pay” before compensation; and

19 (3) in subsection (c)—

20 (A) by inserting “continuation of pay or”
21 before “compensation already paid”; and

22 (B) by inserting “continuation of pay or”
23 before “compensation payable”.

24 (b) ADJUSTMENT AFTER RECOVERY FROM A THIRD
25 PERSON.—Section 8132 is amended—

1 (1) in the first sentence—

2 (A) by inserting “continuation of pay or”
3 before “compensation is payable”;

4 (B) by inserting “continuation of pay or”
5 before “compensation from the United States”;

6 (C) by striking “by him or in his behalf”
7 and inserting “by the beneficiary or on behalf
8 of the beneficiary”;

9 (D) by inserting “continuation of pay and”
10 before “compensation paid by the United
11 States”; and

12 (E) by striking “compensation payable to
13 him” and inserting “continuation of pay or
14 compensation payable to the beneficiary”;

15 (2) in the second sentence, by striking “his des-
16 ignee” and inserting “the designee of the bene-
17 ficiary”; and

18 (3) in the fourth sentence, by striking “If com-
19 pensation” and all that follows through “payable to
20 him by the United States” and inserting “If con-
21 tinuation of pay or compensation has not been paid
22 to the beneficiary, the money or property shall be
23 credited against continuation of pay or compensation
24 payable to the beneficiary by the United States”.

1 **SEC. 312. SOCIAL SECURITY EARNINGS INFORMATION.**

2 Section 8116, as amended by section 308, is amended
3 by adding at the end the following:

4 “(f) EARNINGS INFORMATION.—Notwithstanding
5 section 552a or any other provision of Federal or State
6 law, the Social Security Administration shall make avail-
7 able to the Secretary of Labor, upon written request, the
8 Social Security earnings information of a living or de-
9 ceased employee who may have sustained an injury or died
10 as a result of an injury that is the subject of a claim under
11 this subchapter required by the Secretary of Labor to
12 carry out this subchapter.”

13 **SEC. 313. AMOUNT OF COMPENSATION.**

14 (a) INJURIES TO FACE, HEAD, AND NECK.—Section
15 8107(c)(21) is amended—

16 (1) by striking “not to exceed \$3,500” and in-
17 serting “in proportion to the severity of the dis-
18 figurement, not to exceed \$50,000,”; and

19 (2) by adding at the end the following: “The
20 maximum amount of compensation under this para-
21 graph shall be increased on March 1 of each year by
22 the amount determined by the Secretary of Labor to
23 represent the percent change in the price index pub-
24 lished for December of the preceding year over the
25 price index published for the December of the year

1 prior to the preceding year, adjusted to the nearest
2 one-tenth of 1 percent.”.

3 (b) FUNERAL EXPENSES.—Section 8134(a) is
4 amended—

5 (1) by striking “\$800” and inserting “\$6,000”;
6 and

7 (2) by adding at the end the following: “The
8 maximum amount of compensation under this sub-
9 section shall be increased on March 1 of each year
10 by the amount determined by the Secretary of Labor
11 to represent the percent change in the price index
12 published for December of the preceding year over
13 the price index published for the December of the
14 year prior to the preceding year, adjusted to the
15 nearest one-tenth of 1 percent.”.

16 (c) APPLICATION.—The amendments made by this
17 section shall apply to injuries or deaths, respectively, oc-
18 ccurring on or after the date of enactment of this Act.

19 **SEC. 314. TECHNICAL AND CONFORMING AMENDMENTS.**

20 Chapter 81 is amended—

21 (1) in section 8101(1)(D), by inserting “for an
22 injury that occurred before the effective date of sec-
23 tion 204(e) of the District of Columbia Self-Govern-
24 ment and Governmental Reorganization Act (Public

1 Law 93-198; 87 Stat. 783; 5 U.S.C. 8101 note)”
 2 before the semicolon;

3 (2) in section 8139, by inserting “under this
 4 subchapter” after “Compensation awarded”;

5 (3) in section 8148(a), by striking “section
 6 8106” and inserting “section 8106a”;

7 **SEC. 315. REGULATIONS.**

8 (a) IN GENERAL.—As soon as possible after the date
 9 of enactment of this Act, the Secretary of Labor shall pro-
 10 mulgate regulations (which may include interim final reg-
 11 ulations) to carry out this title.

12 (b) CONTENTS.—The regulations promulgated under
 13 subsection (a) shall include, for purposes of the amend-
 14 ments made by sections 302 and 303, clarification of—

15 (1) what is a claim; and

16 (2) what is the date on which a period of dis-
 17 ability, for which a claim is made, commences.

18 **TITLE IV—OTHER MATTERS**

19 **SEC. 401. PROFITABILITY PLAN.**

20 (a) PLAN REQUIRED.—Not later than 90 days after
 21 the date of enactment of this Act, the Postal Service shall
 22 submit to the Committee on Homeland Security and Gov-
 23 ernmental Affairs of the Senate, the Committee on Over-
 24 sight and Government Reform of the House of Represent-
 25 atives, the Comptroller General of the United States, and

1 the Commission a plan describing, in detail, the actions
2 the Postal Service will take to—

3 (1) become profitable by fiscal year 2015; and

4 (2) achieve long-term financial solvency.

5 (b) CONSIDERATIONS.—The plan required under sub-
6 section (a) shall take into consideration—

7 (1) the legal authority of the Postal Service;

8 (2) the changes in the legal authority and re-
9 sponsibilities of the Postal Service under this Act;

10 (3) any cost savings that the Postal Service an-
11 ticipates will be achieved through negotiations with
12 employees of the Postal Service; and

13 (4) projected changes in mail volume.

14 (c) UPDATES.—The Postal Service shall update the
15 plan required under subsection (a) not less frequently than
16 quarterly, until the last quarter of fiscal year 2015.

17 **SEC. 402. POSTAL RATES.**

18 (a) COMMISSION STUDY.—

19 (1) IN GENERAL.—Not earlier than 2 years
20 after the date of enactment of this Act, the Commis-
21 sion shall commence a study to determine—

22 (A) whether and to what extent any mar-
23 ket-dominant classes, products, or types of mail
24 services do not bear the direct and indirect

1 costs attributable to those classes, products, or
2 types of mail service; and

3 (B) the impact of any excess mail pro-
4 cessing, transportation, or delivery capacity of
5 the Postal Service on the direct and indirect
6 costs attributable to any class that bears less
7 than 100 percent of the costs attributable to
8 the class, as determined under subparagraph
9 (A).

10 (2) REQUIREMENTS.—The Commission shall
11 conduct the study under paragraph (1) in a manner
12 that protects confidential and proprietary business
13 information.

14 (3) HEARING.—Before completing the study
15 under paragraph (1), the Commission shall hold a
16 public hearing, on the record, in order to better in-
17 form the conclusions of the study. The Postal Serv-
18 ice, postal customers, and other interested persons
19 may participate in the hearing under this paragraph.

20 (4) COMPLETION.—Not later than 6 months
21 after the date on which the Commission commences
22 the study under subsection (a), the Commission shall
23 complete the study.

24 (b) ANNUAL UPDATES REQUIRED.—Not later than
25 1 year after the date of completion of the study under

1 subsection (a), and annually thereafter, the Commission
2 shall—

3 (1) determine whether any class of mail bears
4 less than 100 percent of the direct and indirect costs
5 attributable to the class, product, or type of mail
6 service, in the same manner as under subsection
7 (a)(1)(A);

8 (2) for any class of mail for which the Commis-
9 sion makes a determination under paragraph (1),
10 update the study under subsection (a); and

11 (3) include the study updated under paragraph
12 (2) in the annual written determination of the Com-
13 mission under section 3653 of title 39, United
14 States Code.

15 (c) **POSTAL RATES.**—

16 (1) **DEFINITION.**—In this subsection, the term
17 “loss-making”, as used with respect to a class of
18 mail, means a class of mail that bears less than 100
19 percent of the costs attributable to the class of mail,
20 according to the most recent annual determination
21 of the Commission under subsection (a)(1) or (b)(1),
22 adjusted to account for the quantitative effect of ex-
23 cess mail processing, transportation, or delivery ca-
24 pacity of the Postal Service on the costs attributable
25 to the class of mail.

1 (2) IN GENERAL.—Not later than 1 year after
2 the date on which the study under subsection (a) is
3 completed, and annually thereafter, the Postal Serv-
4 ice shall establish postal rates for each loss-making
5 class of mail.

6 (3) CONSIDERATIONS.—The Postal Service may
7 establish postal rates under paragraph (2) in a man-
8 ner that ensures, to the extent practicable, that a
9 class of mail described in paragraph (2) is not loss-
10 making by—

11 (A) using the authority to increase rates
12 under section 3622(d)(1)(A) of title 39, United
13 States Code;

14 (B) exhausting any unused rate adjust-
15 ment authority, as defined in section
16 3622(d)(2)(C) of title 39, United States Code,
17 subject to paragraph (4); and

18 (C) maximizing incentives to reduce costs
19 and increase efficiency with regard to the proc-
20 essing, transportation, and delivery of such mail
21 by the Postal Service.

22 (4) UNUSED RATE ADJUSTMENT AUTHORITY.—
23 Section 3622(d)(2)(C) of title 39, United States
24 Code, shall be applied by annually increasing by 2
25 percentage points any unused rate adjustment au-

1 thority for a class of mail that bears less than 90
 2 percent of the costs attributable to the class of mail,
 3 according to the most recent annual determination
 4 of the Commission under subsection (a)(1) or (b)(1),
 5 adjusted to account for the quantitative effect of ex-
 6 cess mail processing, transportation, or delivery ca-
 7 pacity of the Postal Service on the costs attributable
 8 to the class of mail.

9 **SEC. 403. COOPERATION WITH STATE AND LOCAL GOVERN-**
 10 **MENTS; INTRA-SERVICE AGREEMENTS.**

11 (a) COOPERATION WITH STATE AND LOCAL GOV-
 12 ERNMENTS.—Section 411 of title 39, United States Code,
 13 is amended, in the first sentence by striking “and the Gov-
 14 ernment Printing Office” inserting “, the Government
 15 Printing Office, and agencies and other units of State and
 16 local governments”.

17 (b) INTRA-SERVICE AGREEMENTS.—Section 411 of
 18 title 39, United States Code, as amended by subsection

19 (a), is amended—

20 (1) in the section heading, by adding at the end
 21 the following: “**and within the Postal Serv-**
 22 **ice**”;

23 (2) in the second sentence, by striking “sec-
 24 tion” and inserting “subsection”;

1 tent that the mailing is allowable under section
2 3001(p) of title 39”.

3 (2) APPLICATION OF LAWS.—Section 1161 of
4 title 18, United States Code, is amended, by insert-
5 ing “, and, with respect to the mailing of wine or
6 malt beverages (as those terms are defined in section
7 117 of the Federal Alcohol Administration Act (27
8 U.S.C. 211)), is in conformity with section 3001(p)
9 of title 39” after “Register”.

10 (b) REGULATIONS.—Section 3001 of title 39, United
11 States Code, is amended by adding at the end the fol-
12 lowing:

13 “(p)(1) In this subsection, the terms ‘wine’ and ‘malt
14 beverage’ have the same meanings as in section 117 of
15 the Federal Alcohol Administration Act (27 U.S.C. 211).

16 “(2) Wine or malt beverages shall be considered mail-
17 able if mailed—

18 “(A) by a licensed winery or brewery, in accord-
19 ance with applicable regulations under paragraph
20 (3); and

21 “(B) in accordance with the law of the State,
22 territory, or district of the United States where the
23 addressee or duly authorized agent takes delivery.

1 “(3) The Postal Service shall prescribe such regula-
2 tions as may be necessary to carry out this subsection,
3 including regulations providing that—

4 “(A) the mailing shall be by a means estab-
5 lished by the Postal Service to ensure direct delivery
6 to the addressee or a duly authorized agent;

7 “(B) the addressee (and any duly authorized
8 agent) shall be an individual at least 21 years of
9 age;

10 “(C) the individual who takes delivery, whether
11 the addressee or a duly authorized agent, shall
12 present a valid, government-issued photo identifica-
13 tion at the time of delivery;

14 “(D) the wine or malt beverages may not be for
15 resale or other commercial purpose; and

16 “(E) the winery or brewery involved shall—

17 “(i) certify in writing to the satisfaction of
18 the Postal Service, through a registration proc-
19 ess administered by the Postal Service, that the
20 mailing is not in violation of any provision of
21 this subsection or regulation prescribed under
22 this subsection; and

23 “(ii) provide any other information or af-
24 firmation that the Postal Service may require;

1 including with respect to the prepayment of
2 State alcohol beverage taxes.

3 ~~“(4) For purposes of this subsection—~~

4 ~~“(A) a winery shall be considered to be licensed~~
5 ~~if it holds an appropriate basic permit issued—~~

6 ~~“(i) under the Federal Alcohol Administra-~~
7 ~~tion Act; and~~

8 ~~“(ii) under the law of the State in which~~
9 ~~the winery is located; and~~

10 ~~“(B) a brewery shall be considered to be li-~~
11 ~~icensed if—~~

12 ~~“(i) it possesses a notice of registration~~
13 ~~and bond approved by the Alcohol and Tobacco~~
14 ~~Tax and Trade Bureau of the Department of~~
15 ~~the Treasury; and~~

16 ~~“(ii) it is licensed to manufacture and sell~~
17 ~~malt beverages in the State in which the brew-~~
18 ~~ery is located.”.~~

19 ~~(c) EFFECTIVE DATE.—The amendments made by~~
20 ~~this section shall take effect on the earlier of—~~

21 ~~(1) the date on which the Postal Service issues~~
22 ~~regulations under section 3001(p) of title 39, United~~
23 ~~States Code, as amended by this section; and~~

24 ~~(2) 120 days after the date of enactment of this~~
25 ~~Act.~~

1 **SEC. 405. ANNUAL REPORT ON UNITED STATES MAILING IN-**
2 **DUSTRY.**

3 (a) **IN GENERAL.**—Chapter 24 of title 39, United
4 States Code, is amended by adding at the end the fol-
5 lowing:

6 **“§ 2403. Annual report on the fiscal stability of the**
7 **United States mailing industry**

8 “(a) **IN GENERAL.**—Not later than 1 year after the
9 date of enactment of this section, and annually thereafter,
10 the Postal Regulatory Commission shall submit a report
11 on the fiscal stability of the United States mailing indus-
12 try with respect to the preceding fiscal year to—

13 “(1) the Committee on Homeland Security and
14 Governmental Affairs of the Senate; and

15 “(2) the Committee on Oversight and Govern-
16 ment Reform of the House of Representatives.

17 “(b) **ASSISTANCE.**—The United States Postal Service
18 and any Federal agency involved in oversight or data col-
19 lection regarding industry sectors relevant to the report
20 under subsection (a) shall provide any assistance to the
21 Postal Regulatory Commission that the Postal Regulatory
22 Commission determines is necessary in the preparation of
23 a report under subsection (a).”.

24 (b) **TECHNICAL AND CONFORMING AMENDMENT.**—
25 The table of sections for chapter 24 of title 39, United

1 States Code, is amended by adding at the end the fol-
 2 lowing:

“2403. Annual report on the fiscal stability of the United States mailing indus-
 try.”.

3 **SEC. 406. USE OF NEGOTIATED SERVICE AGREEMENTS.**

4 Section 3622 of title 39, United States Code, is
 5 amended—

6 (1) in subsection (e)(10)(A)—

7 (A) in the matter preceding clause (i), by
 8 striking “either” and inserting “will”;

9 (B) in clause (i), by striking “or” at the
 10 end;

11 (C) in clause (ii), by striking “and” at the
 12 end and inserting “or”; and

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

14 “(iii) preserve mail volume and rev-
 15 enue; and”; and

16 (2) by adding at the end the following:

17 “(g) COORDINATION.—The Postal Service and the
 18 Postal Regulatory Commission shall coordinate actions to
 19 identify methods to increase the use of negotiated service
 20 agreements for market-dominant products by the Postal
 21 Service consistent with subsection (e)(10).”.

22 **SEC. 407. CONTRACT DISPUTES.**

23 Section 7101(8) of title 41, United States Code, is
 24 amended—

1 (1) in subparagraph (C), by striking “and” at
2 the end;

3 (2) in subparagraph (D), by striking the period
4 at the end and inserting “; and”; and

5 (3) by adding at the end the following:

6 “(E) the United States Postal Service and
7 the Postal Regulatory Commission.”.

8 **SEC. 408. CONTRACTING PROVISIONS.**

9 (a) **IN GENERAL.**—Part I of title 39, United States
10 Code, is amended by adding at the end the following:

11 **“CHAPTER 7—CONTRACTING PROVISIONS**

 “Sec.

 “701. Definitions.

 “702. Advocate for competition.

 “703. Delegation of contracting authority.

 “704. Posting of noncompetitive purchase requests for noncompetitive contracts.

 “705. Review of ethical issues.

 “706. Ethical restrictions on participation in certain contracting activity.

12 **“§ 701. Definitions**

13 “In this chapter—

14 “(1) the term ‘contracting officer’ means an
15 employee of a covered postal entity who has author-
16 ity to enter into a postal contract;

17 “(2) the term ‘covered postal entity’ means—

18 “(A) the United States Postal Service; or

19 “(B) the Postal Regulatory Commission;

20 “(3) the term ‘head of a covered postal entity’

21 means—

1 “(A) in the case of the United States Post-
2 al Service, the Postmaster General; or

3 “(B) in the case of the Postal Regulatory
4 Commission, the Chairman of the Postal Regu-
5 latory Commission;

6 “(4) the term ‘postal contract’ means any con-
7 tract (including any agreement or memorandum of
8 understanding) entered into by a covered postal enti-
9 ty for the procurement of goods or services; and

10 “(5) the term ‘senior procurement executive’
11 means the senior procurement executive of a covered
12 postal entity.

13 **“§ 702. Advocate for competition**

14 “(a) ESTABLISHMENT AND DESIGNATION.—

15 “(1) There is established in each covered postal
16 entity an advocate for competition.

17 “(2) The head of each covered postal entity
18 shall designate for the covered postal entity 1 or
19 more officers or employees (other than the senior
20 procurement executive) to serve as the advocate for
21 competition.

22 “(b) RESPONSIBILITIES.—The advocate for competi-
23 tion of each covered postal entity shall—

24 “(1) be responsible for promoting competition
25 to the maximum extent practicable consistent with

1 obtaining best value by promoting the acquisition of
 2 commercial items and challenging barriers to com-
 3 petition;

4 “(2) review the procurement activities of the
 5 covered postal entity; and

6 “(3) prepare and transmit to the head of each
 7 covered postal entity, the senior procurement execu-
 8 tive of each covered postal entity, the Board of Gov-
 9 ernors of the United States Postal Service, and Con-
 10 gress, an annual report describing—

11 “(A) the activities of the advocate under
 12 this section;

13 “(B) initiatives required to promote com-
 14 petition;

15 “(C) barriers to competition that remain;
 16 and

17 “(D) the number of waivers made by each
 18 covered postal entity under section 704(e).

19 **“§ 703. Delegation of contracting authority**

20 “(a) IN GENERAL.—

21 “(1) POLICY.—Not later than 60 days after the
 22 date of enactment of the 21st Century Postal Serv-
 23 ice Act of 2011, the head of each covered postal en-
 24 tity shall issue a policy on contracting officer delega-
 25 tions of authority for the covered postal entity.

1 “(2) CONTENTS.—The policy issued under
2 paragraph (1) shall require that—

3 “(A) notwithstanding any delegation of au-
4 thority with respect to postal contracts, the ulti-
5 mate responsibility and accountability for the
6 award and administration of postal contracts
7 resides with the senior procurement executive;
8 and

9 “(B) a contracting officer shall maintain
10 an awareness of and engagement in the activi-
11 ties being performed on postal contracts of
12 which that officer has cognizance, notwith-
13 standing any delegation of authority that may
14 have been executed.

15 “(b) POSTING OF DELEGATIONS.—

16 “(1) IN GENERAL.—The head of each covered
17 postal entity shall make any delegation of authority
18 for postal contracts outside the functional con-
19 tracting unit readily available and accessible on the
20 website of the covered postal entity.

21 “(2) EFFECTIVE DATE.—This paragraph shall
22 apply to any delegation of authority made on or
23 after 30 days after the date of enactment of the 21st
24 Century Postal Service Act of 2011.

1 **“§ 704. Posting of noncompetitive purchase requests**
2 **for noncompetitive contracts**

3 ~~“(a) POSTING REQUIRED.—~~

4 ~~“(1) POSTAL REGULATORY COMMISSION.—The~~
5 ~~Postal Regulatory Commission shall make the non-~~
6 ~~competitive purchase request for any noncompetitive~~
7 ~~award, including the rationale supporting the non-~~
8 ~~competitive award, publicly available on the website~~
9 ~~of the Postal Regulatory Commission—~~

10 ~~“(A) not later than 14 days after the date~~
11 ~~of the award of the noncompetitive contract; or~~

12 ~~“(B) not later than 30 days after the date~~
13 ~~of the award of the noncompetitive contract, if~~
14 ~~the basis for the award was a compelling busi-~~
15 ~~ness interest.~~

16 ~~“(2) UNITED STATES POSTAL SERVICE.—The~~
17 ~~United States Postal Service shall make the non-~~
18 ~~competitive purchase request for any noncompetitive~~
19 ~~award of a postal contract valued at \$250,000 or~~
20 ~~more, including the rationale supporting the non-~~
21 ~~competitive award, publicly available on the website~~
22 ~~of the United States Postal Service—~~

23 ~~“(A) not later than 14 days after the date~~
24 ~~of the award; or~~

1 “(B) not later than 30 days after the date
2 of the award, if the basis for the award was a
3 compelling business interest.

4 “~~(3)~~ ADJUSTMENTS TO THE POSTING THRESH-
5 OLD FOR THE UNITED STATES POSTAL SERVICE.—

6 “(A) REVIEW AND DETERMINATION.—Not
7 later than January 31 of each year, the United
8 States Postal Service shall—

9 “(i) review the \$250,000 threshold es-
10 tablished under paragraph (2); and

11 “(ii) based on any change in the Con-
12 sumer Price Index for all-urban consumers
13 of the Department of Labor, determine
14 whether an adjustment to the threshold
15 shall be made.

16 “(B) AMOUNT OF ADJUSTMENTS.—An ad-
17 justment under subparagraph (A) shall be made
18 in increments of \$5,000. If the United States
19 Postal Service determines that a change in the
20 Consumer Price Index for a year would require
21 an adjustment in an amount that is less than
22 \$5,000, the United States Postal Service may
23 not make an adjustment to the threshold for
24 the year.

1 “(4) **EFFECTIVE DATE.**—This subsection shall
2 apply to any noncompetitive contract awarded on or
3 after the date that is 90 days after the date of en-
4 actment of the 21st Century Postal Service Act of
5 2011.

6 “(b) **PUBLIC AVAILABILITY.**—

7 “(1) **IN GENERAL.**—Subject to paragraph (2),
8 the information required to be made publicly avail-
9 able by a covered postal entity under subsection (a)
10 shall be readily accessible on the website of the cov-
11 ered postal entity.

12 “(2) **PROTECTION OF PROPRIETARY INFORMA-**
13 **TION.**—A covered postal entity shall—

14 “(A) carefully screen any description of the
15 rationale supporting a noncompetitive award re-
16 quired to be made publicly available under sub-
17 section (a) to determine whether the description
18 includes proprietary data (including any ref-
19 erence or citation to the proprietary data) or se-
20 curity-related information; and

21 “(B) remove any proprietary data or secu-
22 rity-related information before making publicly
23 available a description of the rational sup-
24 porting a noncompetitive award.

25 “(c) **WAIVERS.**—

1 “(1) WAIVER PERMITTED.—If a covered postal
2 entity determines that making a noncompetitive pur-
3 chase request publicly available would risk placing
4 the United States Postal Service at a competitive
5 disadvantage relative to a private sector competitor,
6 the senior procurement executive, in consultation
7 with the advocate for competition of the covered
8 postal entity, may waive the requirements under
9 subsection (a).

10 “(2) FORM AND CONTENT OF WAIVER.—

11 “(A) FORM.—A waiver under paragraph
12 (1) shall be in the form of a written determina-
13 tion placed in the file of the contract to which
14 the noncompetitive purchase agreement relates.

15 “(B) CONTENT.—A waiver under para-
16 graph (1) shall include—

17 “(i) a description of the risk associ-
18 ated with making the noncompetitive pur-
19 chase request publicly available; and

20 “(ii) a statement that redaction of
21 sensitive information in the noncompetitive
22 purchase request would not be sufficient to
23 protect the United States Postal Service
24 from being placed at a competitive dis-

1 advantage relative to a private sector com-
 2 petitor.

3 ~~“(3) DELEGATION OF WAIVER AUTHORITY.—A~~
 4 covered postal entity may not delegate the authority
 5 to approve a waiver under paragraph (1) to any em-
 6 ployee having less authority than the senior procure-
 7 ment executive.

8 **“§ 705. Review of ethical issues**

9 “If a contracting officer identifies any ethical issues
 10 relating to a proposed contract and submits those issues
 11 and that proposed contract to the designated ethics official
 12 for the covered postal entity before the awarding of that
 13 contract, that ethics official shall—

14 “(1) review the proposed contract; and

15 “(2) advise the contracting officer on the appro-
 16 priate resolution of ethical issues.

17 **“§ 706. Ethical restrictions on participation in certain**
 18 **contracting activity**

19 “(a) DEFINITIONS.—In this section—

20 “(1) the term ‘covered employee’ means—

21 “(A) a contracting officer; or

22 “(B) any employee of a covered postal en-
 23 tity whose decisionmaking affects a postal con-
 24 tract as determined by regulations prescribed
 25 by the head of a covered postal entity;

1 “(2) the term ‘covered relationship’ means a
2 covered relationship described in section
3 ~~2635.502(b)(1)~~ of title 5, Code of Federal Regula-
4 tions, or any successor thereto; and

5 “(3) the term ‘final conviction’ means a convic-
6 tion, whether entered on a verdict or plea, including
7 a plea of nolo contendere, for which a sentence has
8 been imposed.

9 “(b) IN GENERAL.—

10 “(1) REGULATIONS.—The head of each covered
11 postal entity shall prescribe regulations that—

12 “(A) require a covered employee to include
13 in the file of any noncompetitive purchase re-
14 quest for a noncompetitive postal contract a
15 written certification that—

16 “(i) discloses any covered relationship
17 of the covered employee; and

18 “(ii) the covered employee will not
19 take any action with respect to the non-
20 competitive purchase request that affects
21 the financial interests of a friend, relative,
22 or person with whom the covered employee
23 is affiliated in a nongovernmental capacity,
24 or otherwise gives rise to an appearance of
25 the use of public office for private gain, as

1 described in section 2635.702 of title 5,
2 Code of Federal Regulations, or any suc-
3 cessor thereto;

4 “(B) require a contracting officer to con-
5 sult with the ethics counsel for the covered
6 postal entity regarding any disclosure made by
7 a covered employee under subparagraph (A)(i);
8 to determine whether participation by the cov-
9 ered employee in the noncompetitive purchase
10 request would give rise to a violation of part
11 2635 of title 5, Code of Federal Regulations
12 (commonly referred to as the ‘Standards of
13 Ethical Conduct for Employees of the Executive
14 Branch’);

15 “(C) require the ethics counsel for a cov-
16 ered postal entity to review any disclosure made
17 by a contracting officer under subparagraph
18 (A)(i) to determine whether participation by the
19 contracting officer in the noncompetitive pur-
20 chase request would give rise to a violation of
21 part 2635 of title 5, Code of Federal Regula-
22 tions (commonly referred to as the ‘Standards
23 of Ethical Conduct for Employees of the Execu-
24 tive Branch’), or any successor thereto;

1 “(D) under subsections (d) and (e) of sec-
2 tion 2635.50 of title 5, Code of Federal Regula-
3 tions, or any successor thereto, require the eth-
4 ics counsel for a covered postal entity to—

5 “(i) authorize a covered employee that
6 makes a disclosure under subparagraph
7 (A)(i) to participate in the noncompetitive
8 postal contract; or

9 “(ii) disqualify a covered employee
10 that makes a disclosure under subpara-
11 graph (A)(i) from participating in the non-
12 competitive postal contract;

13 “(E) require a contractor to timely disclose
14 to the contracting officer in a bid, solicitation,
15 award, or performance of a postal contract any
16 conflict of interest with a covered employee; and

17 “(F) include authority for the head of the
18 covered postal entity to grant a waiver or oth-
19 erwise mitigate any organizational or personal
20 conflict of interest, if the head of the covered
21 postal entity determines that the waiver or miti-
22 gation is in the best interests of the Postal
23 Service.

24 “(2) POSTING OF WAIVERS.—Not later than 30
25 days after the head of a covered postal entity grants

1 a waiver described in paragraph (1)(F); the head of
 2 the covered postal entity shall make the waiver pub-
 3 licly available on the website of the covered postal
 4 entity.

5 “(e) CONTRACT VOIDANCE AND RECOVERY.—

6 “(1) UNLAWFUL CONDUCT.—In any case in
 7 which there is a final conviction for a violation of
 8 any provision of chapter 11 of title 18 relating to a
 9 postal contract, the head of a covered postal entity
 10 may—

11 “(A) void that contract; and

12 “(B) recover the amounts expended and
 13 property transferred by the covered postal enti-
 14 ty under that contract.

15 “(2) OBTAINING OR DISCLOSING PROCUREMENT
 16 INFORMATION.—

17 “(A) IN GENERAL.—In any case where a
 18 contractor under a postal contract fails to time-
 19 ly disclose a conflict of interest to the appro-
 20 priate contracting officer as required under the
 21 regulations promulgated under subsection
 22 (b)(1)(D), the head of a covered postal entity
 23 may—

24 “(i) void that contract; and

1 “(ii) recover the amounts expended
2 and property transferred by the covered
3 postal entity under that contract.

4 “(B) CONVICTION OR ADMINISTRATIVE DE-
5 TERMINATION.—A case described under sub-
6 paragraph (A) is any case in which—

7 “(i) there is a final conviction for an
8 offense punishable under section 27(e) of
9 the Office of Federal Procurement Policy
10 Act (41 U.S.C. 423(e)); or

11 “(ii) the head of a covered postal enti-
12 ty determines, based upon a preponderance
13 of the evidence, that the contractor or
14 someone acting for the contractor has en-
15 gaged in conduct constituting an offense
16 punishable under section 27(e) of that
17 Act.”.

18 (b) TECHNICAL AND CONFORMING AMENDMENT.—

19 The table of chapters for part I of title 39, United States
20 Code, is amended by adding at the end the following:

 “7. Contracting Provisions 701”.

21 **SECTION 1. SHORT TITLE.**

22 *This Act may be cited as the “21st Century Postal*
23 *Service Act of 2012”.*

24 **SEC. 2. TABLE OF CONTENTS.**

25 *The table of contents for this Act is as follows:*

- Sec. 1. Short title.*
- Sec. 2. Table of contents.*
- Sec. 3. Definitions.*

TITLE I—POSTAL WORKFORCE MATTERS

- Sec. 101. Treatment of postal funding surplus for Federal Employees Retirement System.*
- Sec. 102. Additional service credit.*
- Sec. 103. Restructuring of payments for retiree health benefits.*
- Sec. 104. Postal Service Health Benefits Program.*
- Sec. 105. Arbitration; labor disputes.*

TITLE II—POSTAL SERVICES AND OPERATIONS

- Sec. 201. Postal facilities.*
- Sec. 202. Additional Postal Service planning.*
- Sec. 203. Area and district office structure.*
- Sec. 204. Post offices; retail service standards.*
- Sec. 205. Conversion of door delivery points.*
- Sec. 206. Limitations on changes to mail delivery schedule.*
- Sec. 207. Time limits for consideration of service changes.*
- Sec. 208. Public procedures for significant changes to mailing specifications.*
- Sec. 209. Nonpostal products and services.*

TITLE III—FEDERAL EMPLOYEES' COMPENSATION ACT

- Sec. 301. Short title; references.*
- Sec. 302. Federal workers compensation reforms for retirement-age employees.*
- Sec. 303. Augmented compensation for dependents.*
- Sec. 304. Schedule compensation payments.*
- Sec. 305. Vocational rehabilitation.*
- Sec. 306. Reporting requirements.*
- Sec. 307. Disability management review; independent medical examinations.*
- Sec. 308. Waiting period.*
- Sec. 309. Election of benefits.*
- Sec. 310. Sanction for noncooperation with field nurses.*
- Sec. 311. Subrogation of continuation of pay.*
- Sec. 312. Integrity and compliance.*
- Sec. 313. Amount of compensation.*
- Sec. 314. Technical and conforming amendments.*
- Sec. 315. Regulations.*

TITLE IV—OTHER MATTERS

- Sec. 401. Profitability plan.*
- Sec. 402. Postal rates.*
- Sec. 403. Cooperation with State and local governments; intra-Service agreements.*
- Sec. 404. Shipping of wine and beer.*
- Sec. 405. Annual report on United States mailing industry.*
- Sec. 406. Use of negotiated service agreements.*
- Sec. 407. Contract disputes.*
- Sec. 408. Contracting provisions.*

1 **SEC. 3. DEFINITIONS.**

2 *In this Act, the following definitions shall apply:*

3 (1) *COMMISSION.*—*The term “Commission”*
4 *means the Postal Regulatory Commission.*

5 (2) *POSTAL SERVICE.*—*The term “Postal Serv-*
6 *ice” means the United States Postal Service.*

7 **TITLE I—POSTAL WORKFORCE**
8 **MATTERS**

9 **SEC. 101. TREATMENT OF POSTAL FUNDING SURPLUS FOR**
10 **FEDERAL EMPLOYEES RETIREMENT SYSTEM.**

11 *Section 8423(b) of title 5, United States Code, is*
12 *amended—*

13 (1) *by redesignating paragraph (5) as para-*
14 *graph (6); and*

15 (2) *by inserting after paragraph (4) the fol-*
16 *lowing:*

17 “(5)(A) *In this paragraph, the term ‘postal funding*
18 *surplus’ means the amount by which the amount computed*
19 *under paragraph (1)(B) is less than zero.*

20 “(B)(i) *Beginning with fiscal year 2011, for each fiscal*
21 *year in which the amount computed under paragraph*
22 *(1)(B) is less than zero, upon request of the Postmaster Gen-*
23 *eral, the Director shall transfer to the United States Postal*
24 *Service from the Fund an amount equal to the postal fund-*
25 *ing surplus for that fiscal year for use in accordance with*
26 *this paragraph.*

1 “(ii) *The Office shall calculate the amount under para-*
2 *graph (1)(B) for a fiscal year by not later than June 15*
3 *after the close of the fiscal year, and shall transfer any post-*
4 *al funding surplus to the United States Postal Service with-*
5 *in 10 days after a request by the Postmaster General.*

6 “(C) *For each of fiscal years 2011, 2012, and 2013,*
7 *if the amount computed under paragraph (1)(B) is less*
8 *than zero, a portion of the postal funding surplus for the*
9 *fiscal year shall be used by the United States Postal Service*
10 *for the cost of providing to employees of the United States*
11 *Postal Service who voluntarily separate from service before*
12 *October 1, 2014—*

13 “(i) *voluntary separation incentive payments*
14 *(including payments to employees who retire under*
15 *section 8336(d)(2) or 8414(b)(1)(B) before October 1,*
16 *2014) that may not exceed the maximum amount pro-*
17 *vided under section 3523(b)(3)(B) for any employee;*
18 *and*

19 “(ii) *retirement service credits, as authorized*
20 *under section 8332(p) or 8411(m).*

21 “(D) *Any postal funding surplus for a fiscal year not*
22 *expended under subparagraph (C) may be used by the*
23 *United States Postal Service for the purposes of—*

24 “(i) *repaying any obligation issued under sec-*
25 *tion 2005 of title 39; or*

1 “(ii) making required payments to—

2 “(I) the Employees’ Compensation Fund es-
3 tablished under section 8147;

4 “(II) the Postal Service Retiree Health Ben-
5 efits Fund established under section 8909a;

6 “(III) the Employees Health Benefits Fund
7 established under section 8909; or

8 “(IV) the Civil Service Retirement and Dis-
9 ability Fund.”.

10 **SEC. 102. ADDITIONAL SERVICE CREDIT.**

11 (a) *CIVIL SERVICE RETIREMENT SYSTEM.*—Section
12 8332 of title 5, United States Code, is amended by adding
13 at the end the following:

14 “(p)(1)(A) For an employee of the United States Post-
15 al Service who is covered under this subchapter and volun-
16 tarily separates from service before October 1, 2014, at the
17 direction of the United States Postal Service, the Office
18 shall add not more than 1 year (as specified by the United
19 States Postal Service) to the total creditable service of the
20 employee for purposes of determining entitlement to and
21 computing the amount of an annuity under this subchapter
22 (except for a disability annuity under section 8337).

23 “(B) An employee who receives additional creditable
24 service under this paragraph may not receive a voluntary

1 *separation incentive payment from the United States Postal*
2 *Service.*

3 “(2)(A) *Subject to subparagraph (B), and notwith-*
4 *standing any other provision of law, no deduction, deposit,*
5 *or contribution shall be required for service credited under*
6 *this subsection.*

7 “(B) *The actuarial present value of the additional li-*
8 *ability of the United States Postal Service to the Fund re-*
9 *sulting from this subsection shall be included in the amount*
10 *calculated under section 8348(h)(1)(A).”.*

11 **(b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—**
12 *Section 8411 of title 5, United States Code, is amended by*
13 *adding at the end the following:*

14 “(m)(1)(A) *For an employee of the United States Post-*
15 *al Service who is covered under this chapter and volun-*
16 *tarily separates from service before October 1, 2014, at the*
17 *direction of the United States Postal Service, the Office*
18 *shall add not more than 2 years (as specified by the United*
19 *States Postal Service) to the total creditable service of the*
20 *employee for purposes of determining entitlement to and*
21 *computing the amount of an annuity under this chapter*
22 *(except for a disability annuity under subchapter V of that*
23 *chapter).*

24 “(B) *An employee who receives additional creditable*
25 *service under this paragraph may not receive a voluntary*

1 *separation incentive payment from the United States Postal*
 2 *Service.*

3 “(2)(A) *Subject to subparagraph (B), and notwith-*
 4 *standing any other provision of law, no deduction, deposit,*
 5 *or contribution shall be required for service credited under*
 6 *this subsection.*

7 “(B) *The actuarial present value of the additional li-*
 8 *ability of the United States Postal Service to the Fund re-*
 9 *sulting from this subsection shall be included in the amount*
 10 *calculated under section 8423(b)(1)(B).”.*

11 **SEC. 103. RESTRUCTURING OF PAYMENTS FOR RETIREE**

12 **HEALTH BENEFITS.**

13 (a) *CONTRIBUTIONS.*—Section 8906(g)(2)(A) of title 5,
 14 *United States Code, is amended by striking “through Sep-*
 15 *tember 30, 2016, be paid by the United States Postal Serv-*
 16 *ice, and thereafter shall” and inserting “after the date of*
 17 *enactment of the 21st Century Postal Service Act of 2012”.*

18 (b) *POSTAL SERVICE RETIREE HEALTH BENEFITS*
 19 *FUND.*—Section 8909a of title 5, *United States Code, is*
 20 *amended—*

21 (1) *in subsection (d)—*

22 (A) *in paragraph (2)(B)—*

23 (i) *by striking “2017” and inserting*
 24 *“2012”; and*

1 (ii) by inserting after “later, of” the
2 following: “80 percent of”; and

3 (B) in paragraph (3)—

4 (i) in subparagraph (A)—

5 (I) in clause (iii), by adding
6 “and” at the end;

7 (II) in clause (iv), by striking the
8 semicolon at the end and inserting a
9 period; and

10 (III) by striking clauses (v)
11 through (x); and

12 (ii) in subparagraph (B), by striking
13 “2017” and inserting “2012”; and

14 (2) by adding at the end the following:

15 “(e) Subsections (a) through (d) shall be subject to sec-
16 tion 104 of the 21st Century Postal Service Act of 2012.”.

17 **SEC. 104. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

18 (a) **DEFINITIONS.**—*In this section—*

19 (1) the term “covered employee” means an em-
20 ployee of the Postal Service who is represented by a
21 bargaining representative recognized under section
22 1203 of title 39, United States Code;

23 (2) the term “Federal Employee Health Benefits
24 Program” means the health benefits program under
25 chapter 89 of title 5, United States Code; and

1 (3) *the term “Postal Service Health Benefits*
2 *Program” means the health benefits program that*
3 *may be agreed to under subsection (b)(1).*

4 *(b) COLLECTIVE BARGAINING.—*

5 (1) *IN GENERAL.—Consistent with section*
6 *1005(f) of title 39, United States Code, the Postal*
7 *Service may negotiate jointly with all bargaining*
8 *representatives recognized under section 1203 of title*
9 *39, United States Code, and enter into a joint collec-*
10 *tive bargaining agreement with those bargaining rep-*
11 *resentatives to establish the Postal Service Health*
12 *Benefits Program that satisfies the conditions under*
13 *subsection (c). The Postal Service and the bargaining*
14 *representatives shall negotiate in consultation with*
15 *the Director of the Office of Personnel Management.*

16 (2) *CONSULTATION WITH SUPERVISORY AND*
17 *MANAGERIAL PERSONNEL.—In the course of negotia-*
18 *tions under paragraph (1), the Postal Service shall*
19 *consult with each of the organizations of supervisory*
20 *and other managerial personnel that are recognized*
21 *under section 1004 of title 39, United States Code,*
22 *concerning the views of the personnel represented by*
23 *each of those organizations.*

24 (3) *ARBITRATION LIMITATION.—Notwithstanding*
25 *chapter 12 of title 39, United States Code, there shall*

1 *not be arbitration of any dispute in the negotiations*
2 *under this subsection.*

3 (4) *TIME LIMITATION.*—*The authority under this*
4 *subsection shall extend until September 30, 2012.*

5 (c) *POSTAL SERVICE HEALTH BENEFITS PROGRAM.*—
6 *The Postal Service Health Benefits Program—*

7 (1) *shall—*

8 (A) *be available for participation by all*
9 *covered employees;*

10 (B) *be available for participation by any*
11 *officer or employee of the Postal Service who is*
12 *not a covered employee, at the option solely of*
13 *that officer or employee;*

14 (C) *provide adequate and appropriate*
15 *health benefits;*

16 (D) *be administered in a manner deter-*
17 *mined in a joint agreement reached under sub-*
18 *section (b); and*

19 (E) *provide for transition of coverage under*
20 *the Federal Employee Health Benefits Program*
21 *of covered employees to coverage under the Postal*
22 *Service Health Benefits Program on January 1,*
23 *2013;*

24 (2) *may provide dental benefits; and*

25 (3) *may provide vision benefits.*

1 (d) *AGREEMENT AND IMPLEMENTATION.*—*If a joint*
2 *agreement is reached under subsection (b)—*

3 (1) *the Postal Service shall implement the Postal*
4 *Service Health Benefits Program;*

5 (2) *the Postal Service Health Benefits Program*
6 *shall constitute an agreement between the collective*
7 *bargaining representatives and the Postal Service for*
8 *purposes of section 1005(f) of title 39, United States*
9 *Code; and*

10 (3) *covered employees may not participate as*
11 *employees in the Federal Employees Health Benefits*
12 *Program.*

13 (e) *GOVERNMENT PLAN.*—*The Postal Service Health*
14 *Benefits Program shall be a government plan as that term*
15 *is defined under section 3(32) of Employee Retirement In-*
16 *come Security Act of 1974 (29 U.S.C. 1002(32)).*

17 (f) *REPORT.*—*Not later than June 30, 2013, the Postal*
18 *Service shall submit a report to the Committee on Home-*
19 *land Security and Governmental Affairs of the Senate and*
20 *the Committee on Oversight and Government Reform of the*
21 *House of Representatives that—*

22 (1) *reports on the implementation of this section;*
23 *and*

1 (2) requests any additional statutory authority
 2 that the Postal Service determines is necessary to
 3 carry out the purposes of this section.

4 **SEC. 105. ARBITRATION; LABOR DISPUTES.**

5 Section 1207(c)(2) of title 39, United States Code, is
 6 amended—

7 (1) by inserting “(A)” after “(2)”;

8 (2) by striking the last sentence and inserting
 9 “The arbitration board shall render a decision not
 10 later than 45 days after the date of its appointment.”;
 11 and

12 (3) by adding at the end the following:

13 “(B) In rendering a decision under this paragraph,
 14 the arbitration board shall consider such relevant factors
 15 as—

16 “(i) the financial condition of the Postal Service;

17 “(ii) the requirements relating to pay and com-
 18 pensation comparability under section 1003(a); and

19 “(iii) the policies of this title.”.

20 **TITLE II—POSTAL SERVICES AND**
 21 **OPERATIONS**

22 **SEC. 201. POSTAL FACILITIES.**

23 Section 404 of title 39, United States Code, is amended
 24 by adding after subsection (e) the following:

1 “(f) *CLOSING OR CONSOLIDATION OF CERTAIN POSTAL*
2 *FACILITIES.*—

3 “(1) *POSTAL FACILITY.*—*In this subsection, the*
4 *term ‘postal facility’—*

5 “(A) *means any Postal Service facility that*
6 *is primarily involved in the preparation, dis-*
7 *patch, or other physical processing of mail; and*

8 “(B) *does not include—*

9 “(i) *any post office, station, or branch;*

10 *or*

11 “(ii) *any facility used only for admin-*
12 *istrative functions.*

13 “(2) *AREA MAIL PROCESSING STUDY.*—

14 “(A) *NEW AREA MAIL PROCESSING STUD-*
15 *IES.*—*After the date of enactment of this sub-*
16 *section, before making a determination under*
17 *subsection (a)(3) as to the necessity for the clos-*
18 *ing or consolidation of any postal facility, the*
19 *Postal Service shall—*

20 “(i) *conduct an area mail processing*
21 *study relating to that postal facility that*
22 *includes a plan to reduce the capacity of the*
23 *postal facility, but not close the postal facil-*
24 *ity;*

1 “(ii) *publish the study on the Postal*
2 *Service website; and*

3 “(iii) *publish a notice that the study is*
4 *complete and available to the public, includ-*
5 *ing on the Postal Service website.*

6 “(B) *COMPLETED OR ONGOING AREA MAIL*
7 *PROCESSING STUDIES.—*

8 “(i) *IN GENERAL.—In the case of a*
9 *postal facility described in clause (ii), the*
10 *Postal Service shall—*

11 “(I) *consider a plan to reduce the*
12 *capacity of the postal facility, but not*
13 *close the postal facility; and*

14 “(II) *publish the results of the*
15 *consideration under subclause (I) with*
16 *or as an amendment to the area mail*
17 *processing study relating to the postal*
18 *facility.*

19 “(ii) *POSTAL FACILITIES.—A postal*
20 *facility described in this clause is a postal*
21 *facility for which, on or before the date of*
22 *enactment of this subsection—*

23 “(I) *an area mail processing*
24 *study that does not include a plan to*
25 *reduce the capacity of the postal facil-*

1 *ity, but not close the facility, has been*
2 *completed or is in progress; and*

3 *“(II) a determination as to the*
4 *necessity for the closing or consolida-*
5 *tion of the postal facility has not been*
6 *made.*

7 *“(3) NOTICE, PUBLIC COMMENT, AND PUBLIC*
8 *HEARING.—If the Postal Service makes a determina-*
9 *tion under subsection (a)(3) to close or consolidate a*
10 *postal facility, the Postal Service shall—*

11 *“(A) provide notice of the determination*
12 *to—*

13 *“(i) Congress; and*

14 *“(ii) the Postal Regulatory Commis-*
15 *sion;*

16 *“(B) provide adequate public notice of the*
17 *intention of the Postal Service to close or consoli-*
18 *date the postal facility;*

19 *“(C) ensure that interested persons have an*
20 *opportunity to submit public comments during a*
21 *45-day period after the notice of intention is*
22 *provided under subparagraph (B);*

23 *“(D) before the 45-day period described in*
24 *subparagraph (C), provide for public notice of*
25 *that opportunity by—*

1 “(i) publication on the Postal Service
2 website;

3 “(ii) posting at the affected postal fa-
4 cility; and

5 “(iii) advertising the date and location
6 of the public community meeting under sub-
7 paragraph (E); and

8 “(E) during the 45-day period described in
9 subparagraph (C), conduct a public community
10 meeting that provides an opportunity for public
11 comments to be submitted verbally or in writing.

12 “(4) FURTHER CONSIDERATIONS.—Not earlier
13 than 30 days after the end of the 45-day period for
14 public comment under paragraph (3), the Postal
15 Service, in making a determination whether or not to
16 close or consolidate a postal facility, shall consider—

17 “(A) the views presented by interested per-
18 sons solicited under paragraph (3);

19 “(B) the effect of the closing or consolida-
20 tion on the affected community, including any
21 disproportionate impact the closure or consolida-
22 tion may have on a State, region, or locality;

23 “(C) the effect of the closing or consolidation
24 on the travel times and distances for affected cus-

1 *tomers to access services under the proposed closing or consolidation;*

3 *“(D) the effect of the closing or consolidation on delivery times for all classes of mail;*

5 *“(E) any characteristics of certain geographical areas, such as remoteness, broadband internet availability, and weather-related obstacles to using alternative facilities, that may result in the closing or consolidation having a unique effect; and*

11 *“(F) any other factor the Postal Service determines is necessary.*

13 *“(5) JUSTIFICATION STATEMENT.—Before the date on which the Postal Service closes or consolidates a postal facility, the Postal Service shall post on the Postal Service website a closure or consolidation justification statement that includes—*

18 *“(A) a response to all public comments received with respect to the considerations described under paragraph (4);*

21 *“(B) a description of the considerations made by the Postal Service under paragraph (4);*
22 *and*

23

1 “(C) *the actions that will be taken by the*
2 *Postal Service to mitigate any negative effects*
3 *identified under paragraph (4).*

4 “(6) *CLOSING OR CONSOLIDATION OF POSTAL FA-*
5 *CILITIES.—*

6 “(A) *IN GENERAL.—Not earlier than the 15*
7 *days after posting and publishing the final deter-*
8 *mination and the justification statement under*
9 *paragraph (6) with respect to a postal facility,*
10 *the Postal Service may close or consolidate the*
11 *postal facility.*

12 “(B) *ALTERNATIVE INTAKE OF MAIL.—If*
13 *the Postal Service closes or consolidates a postal*
14 *facility under subparagraph (A), the Postal*
15 *Service shall make reasonable efforts to ensure*
16 *continued mail receipt from customers of the*
17 *closed or consolidated postal facility at the same*
18 *location or at another appropriate location in*
19 *close geographic proximity to the closed or con-*
20 *solidated postal facility.*

21 “(7) *POSTAL SERVICE WEBSITE.—For purposes*
22 *of any notice required to be published on the Postal*
23 *Service website under this subsection, the Postal Serv-*
24 *ice shall ensure that the Postal Service website—*

25 “(A) *is updated routinely; and*

1 “(B) provides any person, at the option of
2 the person, the opportunity to receive relevant
3 updates by electronic mail.

4 “(8) *PROTECTION OF CERTAIN INFORMATION.*—
5 *Nothing in this subsection may be construed to re-*
6 *quire the Postal Service to disclose—*

7 “(A) any proprietary data, including any
8 reference or citation to proprietary data; and

9 “(B) any information relating to the secu-
10 rity of a postal facility.”.

11 **SEC. 202. ADDITIONAL POSTAL SERVICE PLANNING.**

12 *Section 302(d) of the Postal Accountability and En-*
13 *hancement Act of 2006 (39 U.S.C. 3691 note) is amended—*

14 (1) *in paragraph (8), by striking the period at*
15 *the end and inserting “; and”;*

16 (2) *by redesignating paragraphs (1) through (8)*
17 *as subparagraphs (A) through (H), respectively, and*
18 *adjusting the margins accordingly;*

19 (3) *in the matter preceding subparagraph (A), as*
20 *so redesignated, by striking “shall include” and in-*
21 *serting the following: “shall—*

22 “(1) include”; and

23 (4) *by adding at the end the following:*

24 “(2) *where possible, provide for an improvement*
25 *in customer access to postal services;*

1 “(3) consider the impact of any decisions by the
2 Postal Service relating to the implementation of the
3 plan on small communities and rural areas; and

4 “(4) ensure that—

5 “(A) small communities and rural areas
6 continue to receive regular and effective access to
7 retail postal services after implementation of the
8 plan; and

9 “(B) the Postal Service solicits community
10 input in accordance with applicable provisions
11 of Federal law.”.

12 **SEC. 203. AREA AND DISTRICT OFFICE STRUCTURE.**

13 (a) *PLAN REQUIRED.*—Not later than 1 year after the
14 date of enactment of this Act, the Postal Service shall sub-
15 mit to the Committee on Homeland Security and Govern-
16 mental Affairs of the Senate and the Committee on Over-
17 sight and Governmental Reform of the House of Representa-
18 tives—

19 (1) a comprehensive strategic plan to govern de-
20 cisions relating to area and district office structure
21 that considers efficiency, costs, redundancies, mail
22 volume, technological advancements, operational con-
23 siderations, and other issues that may be relevant to
24 establishing an effective area and district office struc-
25 ture; and

1 (2) a 10-year plan, including a timetable, that
2 provides for consolidation of area and district offices
3 wherever the Postal Service determines a consolida-
4 tion would—

5 (A) be cost effective; and

6 (B) not substantially and adversely affect
7 the operations of the Postal Service.

8 (b) CONSOLIDATION.—Beginning not later than 1 year
9 after the date of enactment of this Act, the Postal Service
10 shall, consistent with the plans required under and the cri-
11 teria described in subsection (a)—

12 (1) consolidate district offices that are located
13 within 50 miles of each other;

14 (2) consolidate area and district offices that have
15 less than the mean mail volume and number of work
16 hours for all area and district offices; and

17 (3) relocate area offices to headquarters.

18 (c) UPDATES.—The Postal Service shall update the
19 plans required under subsection (a) not less frequently than
20 once every 5 years.

21 **SEC. 204. POST OFFICES; RETAIL SERVICE STANDARDS.**

22 (a) CLOSING POST OFFICES.—Section 404 of title 39,
23 United States Code, is amended—

1 (1) by striking “(d)(1)” and all that follows
2 through “present their views.” and inserting the fol-
3 lowing:

4 “(d)(1) The Postal Service, prior to making a deter-
5 mination under subsection (a)(3) of this section as to the
6 necessity for the closing or consolidation of any post office,
7 shall—

8 “(A) consider whether—

9 “(i) to close the post office or consolidate the
10 post office and another post office located within
11 a reasonable distance;

12 “(ii) instead of closing or consolidating the
13 post office—

14 “(I) to reduce the number of hours a
15 day that the post office operates; or

16 “(II) to continue operating the post of-
17 fice for the same number of hours a day;

18 “(iii) to procure a contract providing full,
19 or less than full, retail services in the community
20 served by the post office; or

21 “(iv) to provide postal services to the com-
22 munity served by the post office through a rural
23 carrier;

24 “(B) provide postal customers served by the post
25 office an opportunity to participate in a nonbinding

1 *survey conducted by mail on a preference for an op-*
 2 *tion described in subparagraph (A); and*

3 *“(C) if the Postal Service determines to close or*
 4 *consolidate the post office, provide adequate notice of*
 5 *its intention to close or consolidate such post office at*
 6 *least 60 days prior to the proposed date of such clos-*
 7 *ing or consolidation to persons served by such post of-*
 8 *fice to ensure that such persons will have an oppor-*
 9 *tunity to present their views.”; and*

10 *(2) in subsection (d)(5), in the first sentence—*

11 *(A) by inserting “, station, or branch” after*
 12 *“post office”;*

13 *(B) by inserting “, station, or branch” after*
 14 *“such office”; and*

15 *(C) by striking “under paragraph (3)”.*

16 *(b) RETAIL SERVICE STANDARDS.—*

17 *(1) DEFINITION.—In this subsection, the term*
 18 *“retail postal service” means service that allows a*
 19 *postal customer to—*

20 *(A) purchase postage;*

21 *(B) enter packages into the mail; and*

22 *(C) procure other services offered by the*
 23 *Postal Service.*

24 *(2) ESTABLISHMENT.—Not later than 6 months*
 25 *after the date of enactment of this Act, the Postal*

1 *Service shall exercise its authority under section 3691*
2 *of title 39, United States Code, to establish service*
3 *standards for market-dominant products in order to*
4 *guarantee customers of the Postal Service regular and*
5 *effective access to retail postal services nationwide*
6 *(including in territories and possessions of the United*
7 *States) on a reasonable basis.*

8 (3) *CONTENTS.—The service standards estab-*
9 *lished under paragraph (2) shall—*

10 (A) *be consistent with—*

11 (i) *the obligations of the Postal Service*
12 *under section 101(b) of title 39, United*
13 *States Code; and*

14 (ii) *the contents of the plan developed*
15 *under section 302 of the Postal Account-*
16 *ability and Enhancement Act of 2006 (39*
17 *U.S.C. 3691 note), as amended by section*
18 *202 of this Act; and*

19 (B) *take into account factors including—*

20 (i) *geography, including the establish-*
21 *ment of standards for the proximity of re-*
22 *tail postal services to postal customers, in-*
23 *cluding a consideration of the reasonable*
24 *maximum time a postal customer should ex-*

1 *pect to travel to access a postal retail loca-*
2 *tion;*

3 *(ii) population, including population*
4 *density, demographic factors such as the age*
5 *and disability status of individuals in the*
6 *area to be served by a location providing*
7 *postal retail services, and other factors that*
8 *may impact the ability of postal customers,*
9 *including businesses, to travel to a postal*
10 *retail location;*

11 *(iii) the feasibility of offering retail ac-*
12 *cess to postal services in addition to post of-*
13 *fices, as described in section 302(d) of the*
14 *Postal Accountability and Enhancement Act*
15 *of 2006 (39 U.S.C. 3691 note);*

16 *(iv) the requirement that the Postal*
17 *Service serve remote areas and communities*
18 *with transportation challenges, including*
19 *communities in which the effects of inclem-*
20 *ent weather or other natural conditions*
21 *might obstruct or otherwise impede access to*
22 *retail postal services; and*

23 *(v) the ability of postal customers to*
24 *access retail postal services in areas that*
25 *were served by a post office that was closed*

1 or consolidated during the 1 year period
2 ending on the date of enactment of this Act.

3 (c) *PROHIBITION ON CLOSING POST OFFICES.*—Not-
4 *withstanding section 404(d) of title 39, United States Code,*
5 *during the period beginning on the date of enactment of*
6 *this Act and ending on the date on which the Postal Service*
7 *establishes the service standards under subsection (b), the*
8 *Postal Service may not close a post office, except as required*
9 *for the immediate protection of health and safety.*

10 **SEC. 205. CONVERSION OF DOOR DELIVERY POINTS.**

11 (a) *IN GENERAL.*—Subchapter VII of chapter 36 of
12 *title 39, United States Code, is amended by adding at the*
13 *end the following:*

14 **“§ 3692. Conversion of door delivery points**

15 “(a) *DEFINITIONS.*—In this section, the following defi-
16 *initions shall apply:*

17 “(1) *CENTRALIZED DELIVERY POINT.*—The term
18 ‘centralized delivery point’ means a group or cluster
19 of mail receptacles at 1 delivery point that is within
20 reasonable proximity of the street address associated
21 with the delivery point.

22 “(2) *CURBLINE DELIVERY POINT.*—The term
23 ‘curblin delivery point’ means a delivery point that
24 is—

1 “(A) adjacent to the street address associ-
2 ated with the delivery point; and

3 “(B) accessible by vehicle on a street that is
4 not a private driveway.

5 “(3) *DOOR DELIVERY POINT*.—The term ‘door
6 delivery point’ means a delivery point at a door of
7 the structure at a street address.

8 “(4) *SIDEWALK DELIVERY POINT*.—The term
9 ‘sidewalk delivery point’ means a delivery point on a
10 sidewalk adjacent to the street address associated with
11 the delivery point.

12 “(b) *CONVERSION*.—Except as provided in subsection
13 (c), and in accordance with the profitability plan required
14 under section 401 and standards established by the Postal
15 Service, the Postal Service is authorized to, to the maximum
16 extent feasible, convert door delivery points to—

17 “(1) curblin delivery points;

18 “(2) sidewalk delivery points; or

19 “(3) centralized delivery points.

20 “(c) *EXCEPTIONS*.—

21 “(1) *CONTINUED DOOR DELIVERY*.—The Postal
22 Service may allow for the continuation of door deliv-
23 ery due to—

24 “(A) a physical hardship of a customer;

1 “(B) *weather, in a geographic area where*
2 *snow removal efforts could obstruct access to*
3 *mailboxes near a road;*

4 “(C) *circumstances in an urban area that*
5 *preclude efficient use of curblines delivery points;*

6 “(D) *other exceptional circumstances, as de-*
7 *termined in accordance with regulations issued*
8 *by the Postal Service; or*

9 “(E) *other circumstances in which the Post-*
10 *al Service determines that alternatives to door*
11 *delivery would not be practical or cost effective.*

12 “(2) *NEW DOOR DELIVERY POINTS.—The Postal*
13 *Service may provide door delivery to a new delivery*
14 *point in a delivery area that received door delivery*
15 *on the day before the date of enactment of this section,*
16 *if the delivery point is established before the delivery*
17 *area is converted from door delivery under subsection*
18 *(b).*

19 “(d) *SOLICITATION OF COMMENTS.—The Postal Serv-*
20 *ice shall establish procedures to solicit, consider, and re-*
21 *spond to input from individuals affected by a conversion*
22 *under this section.*

23 “(e) *REVIEW.—Subchapter V of this chapter shall not*
24 *apply with respect to any action taken by the Postal Service*
25 *under this section.*

1 “(f) *REPORT.*—Not later than 60 days after the end
2 of each fiscal year through fiscal year 2015, the Postal Serv-
3 ice shall submit to Congress and the Inspector General of
4 the Postal Service a report on the implementation of this
5 section during the preceding fiscal year that—

6 “(1) includes the number of door delivery
7 points—

8 “(A) that existed at the end of the fiscal
9 year preceding the preceding fiscal year;

10 “(B) that existed at the end of the preceding
11 fiscal year;

12 “(C) that, during the preceding fiscal year,
13 converted to—

14 “(i) curblinē delivery points or side-
15 walk delivery points;

16 “(ii) centralized delivery points; and

17 “(iii) any other type of delivery point;

18 and

19 “(D) for which door delivery was continued
20 under subsection (c)(1);

21 “(2) estimates any cost savings, revenue loss, or
22 decline in the value of mail resulting from the conver-
23 sions from door delivery that occurred during the pre-
24 ceding fiscal year;

1 (b) *PRECONDITIONS.—If the Postal Service intends to*
2 *establish a change in delivery schedule under subsection*
3 *(a)(2), the Postal Service shall—*

4 (1) *identify customers and communities for*
5 *whom the change may have a disproportionate, nega-*
6 *tive impact, including the customers identified as*
7 *“particularly affected” in the Advisory Opinion on*
8 *Elimination of Saturday Delivery issued by the Com-*
9 *mission on March 24, 2011;*

10 (2) *develop, to the maximum extent possible,*
11 *measures to ameliorate any disproportionate, negative*
12 *impact the change would have on customers and com-*
13 *munities identified under paragraph (1), including,*
14 *where appropriate, providing or expanding access to*
15 *mailboxes for periodical mailers on days on which the*
16 *Postal Service does not provide delivery;*

17 (3) *implement measures to increase revenue and*
18 *reduce costs, including the measures authorized under*
19 *the amendments made by sections 101, 102, 103, 205,*
20 *and 209 of this Act;*

21 (4) *evaluate whether any increase in revenue or*
22 *reduction in costs resulting from the measures imple-*
23 *mented under paragraph (3) are sufficient to allow*
24 *the Postal Service, without implementing a change in*
25 *delivery schedule under subsection (a), to—*

1 (A) become profitable by fiscal year 2015;

2 and

3 (B) achieve long-term financial solvency;

4 and

5 (5) not earlier than 15 months after the date of
6 enactment of this Act and not later than 9 months be-
7 fore the effective date proposed by the Postal Service
8 for the change, submit a report on the steps the Postal
9 Service has taken to carry out this subsection to—

10 (A) the Committee on Homeland Security
11 and Governmental Affairs of the Senate and the
12 Committee on Oversight and Government Reform
13 of the House of Representatives;

14 (B) the Comptroller General of the United
15 States; and

16 (C) the Commission.

17 (c) REVIEW.—

18 (1) GOVERNMENT ACCOUNTABILITY OFFICE.—Not
19 later than 3 months after the date on which the Postal
20 Service submits a report under subsection (b)(5), the
21 Comptroller General shall submit to the Commission
22 and to the Committee on Homeland Security and
23 Governmental Affairs of the Senate and the Com-
24 mittee on Oversight and Government Reform of the

1 *House of Representatives a report that contains find-*
2 *ings relating to each of the following:*

3 *(A) Whether the Postal Service has ade-*
4 *quately complied with subsection (b)(3), taking*
5 *into consideration the statutory authority of and*
6 *limitations on the Postal Service.*

7 *(B) The accuracy of any statement by the*
8 *Postal Service that the measures implemented*
9 *under subsection (b)(3) have increased revenues*
10 *or reduced costs, and the accuracy of any projec-*
11 *tion by the Postal Service relating to increased*
12 *revenue or reduced costs resulting from the meas-*
13 *ures implemented under subsection (b)(3).*

14 *(C) The adequacy and methodological*
15 *soundness of any evaluation conducted by the*
16 *Postal Service under subsection (b)(4) that led*
17 *the Postal Service to assert the necessity of a*
18 *change in delivery schedule under subsection*
19 *(a)(2).*

20 *(D) Whether, based on an analysis of the*
21 *measures implemented by the Postal Service to*
22 *increase revenues and reduce costs, projections of*
23 *increased revenue and cost savings, and the de-*
24 *tails of the profitability plan required under sec-*

1 *tion 401, a change in delivery schedule is nec-*
2 *essary to allow the Postal Service to—*

3 *(i) become profitable by fiscal year*
4 *2015; and*

5 *(ii) achieve long-term financial sol-*
6 *vency.*

7 *(2) POSTAL REGULATORY COMMISSION.—*

8 *(A) REQUEST.—Not later than 6 months be-*
9 *fore the proposed effective date of a change in de-*
10 *livery schedule under subsection (a), the Postal*
11 *Service shall submit to the Commission a request*
12 *for an advisory opinion relating to the change.*

13 *(B) ADVISORY OPINION.—*

14 *(i) IN GENERAL.—The Commission*
15 *shall—*

16 *(I) issue an advisory opinion with*
17 *respect to a request under subpara-*
18 *graph (A), in accordance with the time*
19 *limits for the issuance of advisory*
20 *opinions under section 3661(b)(2) of*
21 *title 39, United States Code, as amend-*
22 *ed by this Act; and*

23 *(II) submit the advisory opinion*
24 *to the Committee on Homeland Secu-*
25 *rity and Governmental Affairs of the*

1 *Senate and the Committee on Over-*
2 *sight and Government Reform of the*
3 *House of Representatives.*

4 *(ii) REQUIRED DETERMINATIONS.—An*
5 *advisory opinion under clause (i) shall de-*
6 *termine—*

7 *(I) whether the measures devel-*
8 *oped under subsection (b)(2) amelio-*
9 *rate any disproportionate, negative*
10 *impact that a change in schedule may*
11 *have on customers and communities*
12 *identified under subsection (b)(1); and*

13 *(II) based on the report submitted*
14 *by the Comptroller General under*
15 *paragraph (1)—*

16 *(aa) whether the Postal Serv-*
17 *ice has implemented measures to*
18 *reduce operating losses as required*
19 *under subsection (b)(3);*

20 *(bb) whether the implementa-*
21 *tion of the measures described in*
22 *item (aa) has increased revenues*
23 *or reduced costs, or is projected to*
24 *further increase revenues or re-*
25 *duce costs in the future; and*

1 (cc) *whether a change in*
 2 *schedule under subsection (a)(2) is*
 3 *necessary to allow the Postal*
 4 *Service to—*

5 (AA) *become profitable*
 6 *by fiscal year 2015; and*

7 (BB) *achieve long-term*
 8 *financial solvency.*

9 (3) *PROHIBITION ON IMPLEMENTATION OF*
 10 *CHANGE IN SCHEDULE.—The Postal Service may not*
 11 *implement a change in delivery schedule under sub-*
 12 *section (a)(2)—*

13 (A) *before the date on which the Comptroller*
 14 *General submits the report required under para-*
 15 *graph (1); and*

16 (B) *unless the Commission determines*
 17 *under paragraph (2)(B)(ii)(II)(cc) that the*
 18 *Comptroller General has concluded that the*
 19 *change is necessary to allow the Postal Service to*
 20 *become profitable by fiscal year 2015 and to*
 21 *achieve long-term financial solvency, without re-*
 22 *gard to whether the Commission determines that*
 23 *the change is advisable.*

24 (d) *ADDITIONAL LIMITATIONS.—*

1 (1) *RULES OF CONSTRUCTION.*—*Nothing in this*
2 *subsection shall be construed to—*

3 (A) *authorize the reduction, or require an*
4 *increase, in delivery frequency for any route for*
5 *which the Postal Service provided delivery on*
6 *fewer than 6 days per week on the date of enact-*
7 *ment of this Act;*

8 (B) *authorize any change in—*

9 (i) *the days and times that postal re-*
10 *tail service or any mail acceptance is avail-*
11 *able at postal retail facilities or processing*
12 *facilities; or*

13 (ii) *the locations at which postal retail*
14 *service or mail acceptance occurs at postal*
15 *retail facilities or processing facilities;*

16 (C) *authorize any change in the frequency*
17 *of delivery to a post office box;*

18 (D) *prohibit the collection or delivery of a*
19 *competitive mail product on a weekend, a recog-*
20 *nized Federal holiday, or any other specific day*
21 *of the week; or*

22 (E) *prohibit the Postal Service from exer-*
23 *cising its authority to make changes to proc-*
24 *essing or retail networks.*

1 (2) *PROHIBITION ON CONSECUTIVE DAYS WITH-*
 2 *OUT MAIL DELIVERY.*—*The Postal Service shall ensure*
 3 *that, under any change in schedule under subsection*
 4 *(a)(2), at no time shall there be more than 2 consec-*
 5 *utive days without mail delivery to street addresses, in-*
 6 *cluding recognized Federal holidays.*

7 **SEC. 207. TIME LIMITS FOR CONSIDERATION OF SERVICE**
 8 **CHANGES.**

9 *Section 3661 of title 39, United States Code, is amend-*
 10 *ed by striking subsections (b) and (c) and inserting the fol-*
 11 *lowing:*

12 “(b) *PROPOSED CHANGES FOR MARKET-DOMINANT*
 13 *PRODUCTS.*—

14 “(1) *SUBMISSION OF PROPOSAL.*—*If the Postal*
 15 *Service determines that there should be a change in*
 16 *the nature of postal services relating to market-domi-*
 17 *nant products that will generally affect service on a*
 18 *nationwide or substantially nationwide basis, the*
 19 *Postal Service shall submit a proposal to the Postal*
 20 *Regulatory Commission requesting an advisory opin-*
 21 *ion on the change.*

22 “(2) *ADVISORY OPINION.*—*Upon receipt of a pro-*
 23 *posal under paragraph (1), the Postal Regulatory*
 24 *Commission shall—*

1 “(A) provide an opportunity for public
2 comment on the proposal; and

3 “(B) issue an advisory opinion not later
4 than—

5 “(i) 90 days after the date on which
6 the Postal Regulatory Commission receives
7 the proposal; or

8 “(ii) a date that the Postal Regulatory
9 Commission and the Postal Service may,
10 not later than 1 week after the date on
11 which the Postal Regulatory Commission
12 receives the proposal, determine jointly.

13 “(3) RESPONSE TO OPINION.—The Postal Service
14 shall submit to the President and to Congress a re-
15 sponse to an advisory opinion issued under para-
16 graph (2) that includes—

17 “(A) a statement of whether the Postal Serv-
18 ice plans to modify the proposal to address any
19 concerns or implement any recommendations
20 made by the Commission; and

21 “(B) for any concern that the Postal Service
22 determines not to address and any recommenda-
23 tion that the Postal Service determines not to
24 implement, the reasons for the determination.

1 “(4) *ACTION ON PROPOSAL.*—*The Postal Service*
2 *may take action regarding a proposal submitted*
3 *under paragraph (1)—*

4 “(A) *on or after the date that is 30 days*
5 *after the date on which the Postal Service sub-*
6 *mits the response required under paragraph (3);*

7 “(B) *on or after a date that the Postal Reg-*
8 *ulatory Commission and the Postal Service may,*
9 *not later than 1 week after the date on which the*
10 *Postal Regulatory Commission receives a pro-*
11 *posal under paragraph (2), determine jointly; or*

12 “(C) *after the date described in paragraph*
13 *(2)(B), if—*

14 “(i) *the Postal Regulatory Commission*
15 *fails to issue an advisory opinion on or be-*
16 *fore the date described in paragraph (2)(B);*
17 *and*

18 “(ii) *the action is not otherwise pro-*
19 *hibited under Federal law.*

20 “(5) *MODIFICATION OF TIMELINE.*—*At any time,*
21 *the Postal Service and the Postal Regulatory Commis-*
22 *sion may jointly redetermine a date determined under*
23 *paragraph (2)(B)(i) or (4)(B).”.*

1 **SEC. 208. PUBLIC PROCEDURES FOR SIGNIFICANT**
2 **CHANGES TO MAILING SPECIFICATIONS.**

3 (a) *NOTICE AND OPPORTUNITY FOR COMMENT RE-*
4 *QUIRED.—Effective on the date on which the Postal Service*
5 *issues a final rule under subsection (c), before making a*
6 *change to mailing specifications that could pose a signifi-*
7 *cant burden to the customers of the Postal Service and that*
8 *is not reviewed by the Commission, the Postal Service*
9 *shall—*

10 (1) *publish a notice of the proposed change to the*
11 *specification in the Federal Register;*

12 (2) *provide an opportunity for the submission of*
13 *written comments concerning the proposed change for*
14 *a period of not less than 30 days;*

15 (3) *after considering any comments submitted*
16 *under paragraph (2) and making any modifications*
17 *to the proposed change that the Postal Service deter-*
18 *mines are necessary, publish—*

19 (A) *the final change to the specification in*
20 *the Federal Register;*

21 (B) *responses to any comments submitted*
22 *under paragraph (2); and*

23 (C) *an analysis of the financial impact that*
24 *the proposed change would have on—*

25 (i) *the Postal Service; and*

1 (ii) the customers of the Postal Service
2 that would be affected by the proposed
3 change; and

4 (4) establish an effective date for the change to
5 mailing specifications that is not earlier than 30 days
6 after the date on which the Postal Service publishes
7 the final change under paragraph (3).

8 (b) *EXCEPTION FOR GOOD CAUSE.*—If the Postal Serv-
9 ice determines that there is an urgent and compelling need
10 for a change to a mailing specification described in sub-
11 section (a) in order to avoid demonstrable harm to the oper-
12 ations of the Postal Service or to the public interest, the
13 Postal Service may—

14 (1) change the mailing specifications by—

15 (A) issuing an interim final rule that—

16 (i) includes a finding by the Postal
17 Service that there is good cause for the in-
18 terim final rule;

19 (ii) provides an opportunity for the
20 submission of written comments on the in-
21 terim final rule for a period of not less than
22 30 days; and

23 (iii) establishes an effective date for the
24 interim final rule that is not earlier than

1 30 days after the date on which the interim
2 final rule is issued; and

3 (B) publishing in the *Federal Register* a re-
4 sponse to any comments submitted under sub-
5 paragraph (A)(ii); and

6 (2) waive the requirement under paragraph
7 (1)(A)(iii) or subsection (a)(4).

8 (c) *RULES RELATING TO NOTICE AND COMMENT.*—

9 (1) *IN GENERAL.*—Not later than 180 days after
10 the date of enactment of this Act, the Postal Service
11 shall issue rules governing the provision of notice and
12 opportunity for comment for changes in mailing spec-
13 ifications under subsection (a).

14 (2) *RULES.*—In issuing the rules required under
15 paragraph (1), the Postal Service shall—

16 (A) publish a notice of proposed rulemaking
17 in the *Federal Register* that includes proposed
18 definitions of the terms “mailing specifications”
19 and “significant burden”;

20 (B) provide an opportunity for the submis-
21 sion of written comments concerning the pro-
22 posed change for a period of not less than 30
23 days; and

24 (C) publish—

- 1 (i) the rule in final form in the Fed-
2 eral Register; and
3 (ii) responses to the comments sub-
4 mitted under subparagraph (B).

5 **SEC. 209. NONPOSTAL PRODUCTS AND SERVICES.**

6 (a) *IN GENERAL.*—Section 404 of title 39, United
7 States Code, is amended—

8 (1) in subsection (a)—

9 (A) by redesignating paragraphs (6)
10 through (8) as paragraphs (7) through (9), re-
11 spectively; and

12 (B) by inserting after paragraph (5) the fol-
13 lowing:

14 “(6) after the date of enactment of the 21st Cen-
15 tury Postal Service Act of 2012, and except as pro-
16 vided in subsection (e), to provide other services that
17 are not postal services, after the Postal Regulatory
18 Commission—

19 “(A) makes a determination that the provi-
20 sion of such services—

21 “(i) uses the processing, transpor-
22 tation, delivery, retail network, or tech-
23 nology of the Postal Service;

1 “(ii) is consistent with the public in-
2 terest and a demonstrated or potential pub-
3 lic demand for—

4 “(I) the Postal Service to provide
5 the services instead of another entity
6 providing the services; or

7 “(II) the Postal Service to provide
8 the services in addition to another en-
9 tity providing the services;

10 “(iii) would not create unfair competi-
11 tion with the private sector; and

12 “(iv) has the potential to improve the
13 net financial position of the Postal Service,
14 based on a market analysis provided to the
15 Postal Regulatory Commission by the Post-
16 al Service; and

17 “(B) for services that the Postal Regulatory
18 Commission determines meet the criteria under
19 subparagraph (A), classifies each such service as
20 a market-dominant product, competitive product,
21 or experimental product, as required under chap-
22 ter 36 of title 39, United States Code;”;

23 (2) in subsection (e)(2), by striking “Nothing”
24 and all that follows through “except that the” and in-
25 serting “The”.

1 (b) *MARKET ANALYSIS.*—During the 5-year period be-
 2 ginning on the date of enactment of this Act, the Postal
 3 Service shall submit a copy of any market analysis pro-
 4 vided to the Commission under section 404(a)(6)(A)(iv) of
 5 title 39, United States Code, as amended by this section,
 6 to the Committee on Homeland Security and Governmental
 7 Affairs of the Senate and the Committee on Oversight and
 8 Government Reform of the House of Representatives.

9 **TITLE III—FEDERAL EMPLOY-**
 10 **EES’ COMPENSATION ACT**

11 **SEC. 301. SHORT TITLE; REFERENCES.**

12 (a) *SHORT TITLE.*—This title may be cited as the
 13 “Workers’ Compensation Reform Act of 2012”.

14 (b) *REFERENCES.*—Except as otherwise expressly pro-
 15 vided, whenever in this title an amendment or repeal is ex-
 16 pressed in terms of an amendment to, or a repeal of, a sec-
 17 tion or other provision, the reference shall be considered to
 18 be made to a section or other provision of title 5, United
 19 States Code.

20 **SEC. 302. FEDERAL WORKERS COMPENSATION REFORMS**
 21 **FOR RETIREMENT-AGE EMPLOYEES.**

22 (a) *CONVERSION OF ENTITLEMENT AT RETIREMENT*
 23 *AGE.*—

24 (1) *DEFINITIONS.*—Section 8101 is amended

1 (A) in paragraph (18), by striking “and”
2 at the end;

3 (B) in paragraph (19), by striking “and”
4 at the end;

5 (C) in paragraph (20), by striking the pe-
6 riod at the end and inserting a semicolon; and

7 (D) by adding at the end the following:

8 “(21) ‘retirement age’ has the meaning given
9 that term under section 216(l)(1) of the Social Secu-
10 rity Act (42 U.S.C. 416(l)(1));

11 “(22) ‘covered claim for total disability’ means a
12 claim for a period of total disability that commenced
13 before the date of enactment of the Workers’ Com-
14 pensation Reform Act of 2012;

15 “(23) ‘covered claim for partial disability’ means
16 a claim for a period of partial disability that com-
17 menced before the date of enactment of the Workers’
18 Compensation Reform Act of 2012; and

19 “(24) ‘individual who has an exempt disability
20 condition’ means an individual—

21 “(A) who—

22 “(i) is eligible to receive continuous
23 periodic compensation for total disability
24 under section 8105 on the date of enactment

1 *of the Workers’ Compensation Reform Act of*
2 *2012; and*

3 “*(ii) meets the criteria under section*
4 *8105(c);*

5 “*(B) who, on the date of enactment of the*
6 *Workers’ Compensation Reform Act of 2012—*

7 “*(i) is eligible to receive continuous*
8 *periodic compensation for total disability*
9 *under section 8105; and*

10 “*(ii) has sustained a currently irre-*
11 *versible severe mental or physical disability*
12 *for which the Secretary of Labor has au-*
13 *thorized, for at least the 1-year period end-*
14 *ing on the date of enactment of the Workers’*
15 *Compensation Reform Act of 2012, constant*
16 *in-home care or custodial care, such as*
17 *placement in a nursing home; or*

18 “*(C) who is eligible to receive continuous*
19 *periodic compensation for total disability under*
20 *section 8105—*

21 “*(i) for not less than the 3-year period*
22 *ending on the date of enactment of the*
23 *Workers’ Compensation Reform Act of 2012;*
24 *or*

1 “(ii) if the individual became eligible
 2 to receive continuous periodic compensation
 3 for total disability under section 8105 dur-
 4 ing the period beginning on the date that is
 5 3 years before the date of enactment of the
 6 Workers’ Compensation Reform Act of 2012
 7 and ending on such date of enactment, for
 8 not less than the 3-year period beginning on
 9 the date on which the individual became eli-
 10 gible.”.

11 (2) *TOTAL DISABILITY*.—Section 8105 is amend-
 12 ed—

13 (A) in subsection (a), by striking “If” and
 14 inserting “*IN GENERAL*.—Subject to subsection
 15 (b), if”;

16 (B) by redesignating subsection (b) as sub-
 17 section (c); and

18 (C) by inserting after subsection (a) the fol-
 19 lowing:

20 “(b) *CONVERSION OF ENTITLEMENT AT RETIREMENT*
 21 *AGE*.—

22 “(1) *IN GENERAL*.—Except as provided in para-
 23 graph (2), the basic compensation for total disability
 24 for an employee who has attained retirement age shall
 25 be 50 percent of the monthly pay of the employee.

1 “(2) *EXCEPTIONS.*—

2 “(A) *COVERED RECIPIENTS WHO ARE RE-*
3 *TIREMENT AGE OR HAVE AN EXEMPT DISABILITY*
4 *CONDITION.*—*Paragraph (1) shall not apply to a*
5 *covered claim for total disability by an employee*
6 *if the employee—*

7 “(i) *on the date of enactment of the*
8 *Workers’ Compensation Reform Act of 2012,*
9 *has attained retirement age; or*

10 “(ii) *is an individual who has an ex-*
11 *empt disability condition.*

12 “(B) *TRANSITION PERIOD FOR CERTAIN EM-*
13 *PLOYEES.*—*For a covered claim for total dis-*
14 *ability by an employee who is not an employee*
15 *described in subparagraph (A), the employee*
16 *shall receive the basic compensation for total dis-*
17 *ability provided under subsection (a) until the*
18 *later of—*

19 “(i) *the date on which the employee at-*
20 *tains retirement age; and*

21 “(ii) *the date that is 3 years after the*
22 *date of enactment of the Workers’ Com-*
23 *ensation Reform Act of 2012.”.*

24 (3) *PARTIAL DISABILITY.*—*Section 8106 is*
25 *amended—*

1 (A) in subsection (a), by striking “If” and
2 inserting “IN GENERAL.—Subject to subsection
3 (b), if”;

4 (B) by redesignating subsections (b) and (c)
5 as subsections (c) and (d), respectively; and

6 (C) by inserting after subsection (a) the fol-
7 lowing:

8 “(b) *CONVERSION OF ENTITLEMENT AT RETIREMENT*
9 *AGE.*—

10 “(1) *IN GENERAL.*—Except as provided in para-
11 graph (2), the basic compensation for partial dis-
12 ability for an employee who has attained retirement
13 age shall be 50 percent of the difference between the
14 monthly pay of the employee and the monthly wage-
15 earning capacity of the employee after the beginning
16 of the partial disability.

17 “(2) *EXCEPTIONS.*—

18 “(A) *COVERED RECIPIENTS WHO ARE RE-*
19 *TIREMENT AGE.*—Paragraph (1) shall not apply
20 to a covered claim for partial disability by an
21 employee if, on the date of enactment of the
22 Workers’ Compensation Reform Act of 2012, the
23 employee has attained retirement age.

24 “(B) *TRANSITION PERIOD FOR CERTAIN EM-*
25 *PLOYEES.*—For a covered claim for partial dis-

1 *ability by an employee who is not an employee*
 2 *described in subparagraph (A), the employee*
 3 *shall receive basic compensation for partial dis-*
 4 *ability in accordance with subsection (a) until*
 5 *the later of—*

6 “(i) *the date on which the employee at-*
 7 *tains retirement age; and*

8 “(ii) *the date that is 3 years after the*
 9 *date of enactment of the Workers’ Com-*
 10 *ensation Reform Act of 2012.”.*

11 **SEC. 303. AUGMENTED COMPENSATION FOR DEPENDENTS.**

12 *(a) IN GENERAL.—Section 8110 is amended—*

13 *(1) by redesignating subsection (b) as subsection*
 14 *(c); and*

15 *(2) by inserting after subsection (a) the fol-*
 16 *lowing:*

17 “(b) **TERMINATION OF AUGMENTED COMPENSATION.—**

18 “(1) **IN GENERAL.—***Subject to paragraph (2),*
 19 *augmented compensation for dependants under sub-*
 20 *section (c) shall not be provided.*

21 “(2) **EXCEPTIONS.—**

22 “(A) **TOTAL DISABILITY.—***For a covered*
 23 *claim for total disability by an employee—*

24 “(i) *the employee shall receive aug-*
 25 *mented compensation under subsection (c) if*

1 *the employee is an individual who has an*
 2 *exempt disability condition; and*

3 “(ii) *the employee shall receive aug-*
 4 *mented compensation under subsection (c)*
 5 *until the date that is 3 years after the date*
 6 *of enactment of the Workers’ Compensation*
 7 *Reform Act of 2012 if the employee is not*
 8 *an employee described in clause (i).*

9 “(B) *PARTIAL DISABILITY.—For a covered*
 10 *claim for partial disability by an employee, the*
 11 *employee shall receive augmented compensation*
 12 *under subsection (c) until the date that is 3*
 13 *years after the date of enactment of the Workers’*
 14 *Compensation Reform Act of 2012.*

15 “(C) *PERMANENT DISABILITY COM-*
 16 *PENSATED BY A SCHEDULE.—For a claim for a*
 17 *permanent disability described in section*
 18 *8107(a) by an employee that commenced before*
 19 *the date of enactment of the Workers’ Compensa-*
 20 *tion Reform Act of 2012, the employee shall re-*
 21 *ceive augmented compensation under subsection*
 22 *(c).”.*

23 (b) *MAXIMUM AND MINIMUM MONTHLY PAYMENTS.—*
 24 *Section 8112 is amended—*

25 (1) *in subsection (a)—*

1 (A) by inserting “subsections (b) and (c)
2 and” before “section 8138”;

3 (B) by striking “including augmented com-
4 pensation under section 8110 of this title but”;
5 and

6 (C) by striking “75 percent” each place it
7 appears and inserting “66²/₃ percent”;

8 (2) by redesignating subsection (b) as subsection
9 (c);

10 (3) by inserting after subsection (a) the fol-
11 lowing:

12 “(b) *EXCEPTIONS.*—

13 “(1) *COVERED DISABILITY CONDITION.*—For a
14 covered claim for total disability by an employee, if
15 the employee is an individual who has an exempt dis-
16 ability condition—

17 “(A) the monthly rate of compensation for
18 disability that is subject to the maximum and
19 minimum monthly amounts under subsection (a)
20 shall include any augmented compensation
21 under section 8110; and

22 “(B) subsection (a) shall be applied by sub-
23 stituting ‘75 percent’ for ‘66²/₃ percent’ each
24 place it appears.

1 “(2) *PARTIAL DISABILITY*.—*For a covered claim*
 2 *for partial disability by an employee, until the date*
 3 *that is 3 years after the date of enactment of the*
 4 *Workers’ Compensation Reform Act of 2012—*

5 “(A) *the monthly rate of compensation for*
 6 *disability that is subject to the maximum and*
 7 *minimum monthly amounts under subsection (a)*
 8 *shall include any augmented compensation*
 9 *under section 8110; and*

10 “(B) *subsection (a) shall be applied by sub-*
 11 *stituting ‘75 percent’ for ‘66²/₃ percent’ each*
 12 *place it appears.’; and*

13 (4) *in subsection (c), as redesignated by para-*
 14 *graph (2), by striking “subsection (a)” and inserting*
 15 *“subsections (a) and (b)”.*

16 (c) *DEATH BENEFITS GENERALLY*.—*Section 8133 is*
 17 *amended—*

18 (1) *in subsections (a) and (e), by striking “75*
 19 *percent” each place it appears and inserting “66 ²/₃*
 20 *percent (except as provided in subsection (g))”;* and

21 (2) *by adding at the end the following:*

22 “(g) *If the death occurred before the date of enactment*
 23 *of the Workers’ Compensation Reform Act of 2012, sub-*
 24 *sections (a) and (e) shall be applied by substituting ‘75 per-*
 25 *cent’ for ‘66²/₃ percent’ each place it appears.’.*

1 (d) *DEATH BENEFITS FOR CIVIL AIR PATROL VOLUN-*
 2 *TEERS.*—*Section 8141 is amended—*

3 (1) *in subsection (b)(2)(B) by striking “75 per-*
 4 *cent” and inserting “66²/₃ percent (except as provided*
 5 *in subsection (c))”;*

6 (2) *by redesignating subsection (c) as subsection*
 7 *(d); and*

8 (3) *by inserting after subsection (b) the fol-*
 9 *lowing:*

10 “(c) *If the death occurred before the date of enactment*
 11 *of the Workers’ Compensation Reform Act of 2012, sub-*
 12 *section (b)(2)(B) shall be applied by substituting ‘75 per-*
 13 *cent’ for ‘66²/₃ percent.’.”*

14 **SEC. 304. SCHEDULE COMPENSATION PAYMENTS.**

15 *Section 8107 is amended—*

16 (1) *in subsection (a), by striking “at the rate of*
 17 *66²/₃ percent of his monthly pay” and inserting “at*
 18 *the rate specified under subsection (d)”;* and

19 (2) *by adding at the end the following:*

20 “(d) *RATE FOR COMPENSATION.*—

21 “(1) *ANNUAL SALARY.*—

22 “(A) *IN GENERAL.*—*Except as provided in*
 23 *paragraph (2), the rate under subsection (a)*
 24 *shall be the rate of 66²/₃ percent of the annual*
 25 *salary level established under subparagraph (B),*

1 *in a lump sum equal to the present value (as*
2 *calculated under subparagraph (C)) of the*
3 *amount of compensation payable under the*
4 *schedule.*

5 “(B) *ESTABLISHMENT.*—

6 “(i) *IN GENERAL.*—*The Secretary of*
7 *Labor shall establish an annual salary for*
8 *purposes of subparagraph (A) in the*
9 *amount the Secretary determines will result*
10 *in the aggregate cost of payments made*
11 *under this section being equal to what*
12 *would have been the aggregate cost of pay-*
13 *ments under this section if the amendments*
14 *made by section 304(a) of the Workers’*
15 *Compensation Reform Act of 2012 had not*
16 *been enacted.*

17 “(ii) *COST OF LIVING ADJUSTMENT.*—

18 *The annual salary established under clause*
19 *(i) shall be increased on March 1 of each*
20 *year by the amount determined by the Sec-*
21 *retary of Labor to represent the percent*
22 *change in the price index published for De-*
23 *cember of the preceding year over the price*
24 *index published for the December of the year*

1 *prior to the preceding year, adjusted to the*
2 *nearest one-tenth of 1 percent.*

3 “(C) *PRESENT VALUE.*—*The Secretary of*
4 *Labor shall calculate the present value for pur-*
5 *poses of subparagraph (A) using a rate of inter-*
6 *est equal to the average market yield for out-*
7 *standing marketable obligations of the United*
8 *States with a maturity of 2 years on the first*
9 *business day of the month in which the com-*
10 *ensation is paid or, in the event that such mar-*
11 *ketable obligations are not being issued on such*
12 *date, at an equivalent rate selected by the Sec-*
13 *retary of Labor, true discount compounded an-*
14 *nually.*

15 “(2) *CERTAIN INJURIES.*—*For an injury that oc-*
16 *curred before the date of enactment of the Workers’*
17 *Compensation Reform Act of 2012, the rate under*
18 *subsection (a) shall be 66²/₃ percent of the employee’s*
19 *monthly pay.*

20 “(e) *SIMULTANEOUS RECEIPT.*—

21 “(1) *TOTAL DISABILITY.*—*An employee who re-*
22 *ceives compensation for total disability under section*
23 *8105 may only receive the lump sum of schedule com-*
24 *ensation under this section in addition to and si-*

1 *multaneously with the benefits for total disability*
2 *after the earlier of—*

3 *“(A) the date on which the basic compensa-*
4 *tion for total disability of the employee becomes*
5 *50 percent of the monthly pay of the employee*
6 *under section 8105(b); or*

7 *“(B) the date on which augmented com-*
8 *ensation of the employee terminates under sec-*
9 *tion 8110(b)(2)(A)(ii), if the employee receives*
10 *such compensation.*

11 *“(2) PARTIAL DISABILITY.—An employee who re-*
12 *ceives benefits for partial disability under section*
13 *8106 may only receive the lump sum of schedule com-*
14 *ensation under this section in addition to and si-*
15 *multaneously with the benefits for partial disability*
16 *after the earlier of—*

17 *“(A) the date on which the basic compensa-*
18 *tion for partial disability of the employee be-*
19 *comes 50 percent of the difference between the*
20 *monthly pay of the employee and the monthly*
21 *wage-earning capacity of the employee after the*
22 *beginning of the partial disability under section*
23 *8106(b); or*

24 *“(B) the date on which augmented com-*
25 *ensation of the employee terminates under sec-*

1 tion 8110(b)(2)(B), if the employee receives such
2 compensation.”.

3 **SEC. 305. VOCATIONAL REHABILITATION.**

4 (a) *IN GENERAL.*—Section 8104 is amended—

5 (1) *in subsection (a)*—

6 (A) *by striking “(a) The Secretary of Labor*
7 *may” and all that follows through “undergo vo-*
8 *cational rehabilitation.” and inserting the fol-*
9 *lowing:*

10 “(a) *IN GENERAL.*—

11 “(1) *DIRECTION.*—*Except as provided in para-*
12 *graph (2), not earlier than the date that is 6 months*
13 *after the date on which an individual eligible for*
14 *wage-loss compensation under section 8105 or 8106 is*
15 *injured, or by such other date as the Secretary of*
16 *Labor determines it would be reasonable under the*
17 *circumstances for the individual to begin vocational*
18 *rehabilitation, and if vocational rehabilitation may*
19 *enable the individual to become capable of more gain-*
20 *ful employment, the Secretary of Labor shall direct*
21 *the individual to participate in developing a com-*
22 *prehensive return to work plan and to undergo voca-*
23 *tional rehabilitation at a location a reasonable dis-*
24 *tance from the residence of the individual.”;*

1 (B) by striking “the Secretary of Health,
2 Education, and Welfare in carrying out the pur-
3 poses of chapter 4 of title 29” and inserting “the
4 Secretary of Education in carrying out the pur-
5 poses of the Rehabilitation Act of 1973 (29
6 U.S.C. 701 et seq.)”;

7 (C) by striking “under section 32(b)(1) of
8 title 29” and inserting “under section 5 of the
9 Rehabilitation Act of 1973 (29 U.S.C. 704)”;
10 and

11 (D) by adding at the end the following:

12 “(2) *EXCEPTION.*—The Secretary of Labor may
13 not direct an individual who has attained retirement
14 age to participate in developing a comprehensive re-
15 turn to work plan or to undergo vocational rehabili-
16 tation.”;

17 (2) by redesignating subsection (b) as subsection
18 (c);

19 (3) by inserting after subsection (a) the fol-
20 lowing:

21 “(b) *CONTENTS OF RETURN TO WORK PLAN.*—A re-
22 turn to work plan developed under subsection (a)—

23 “(1) shall—

1 “(A) set forth specific measures designed to
2 increase the wage-earning capacity of an indi-
3 vidual;

4 “(B) take into account the prior training
5 and education of the individual and the train-
6 ing, educational, and employment opportunities
7 reasonably available to the individual; and

8 “(C) provide that any employment under-
9 taken by the individual under the return to work
10 plan be at a location a reasonable distance from
11 the residence of the individual;

12 “(2) may provide that the Secretary will pay out
13 of amounts in the Employees’ Compensation Fund
14 reasonable expenses of vocational rehabilitation
15 (which may include tuition, books, training fees, sup-
16 plies, equipment, and child or dependent care) during
17 the course of the plan; and

18 “(3) may not be for a period of more than 2
19 years, unless the Secretary finds good cause to grant
20 an extension, which may be for not more than 2
21 years.”;

22 (4) in subsection (c), as so redesignated—

23 (A) by inserting “COMPENSATION.—” before
24 “Notwithstanding”; and

1 (B) by striking “, other than employment
2 undertaken pursuant to such rehabilitation”;
3 and

4 (5) by adding at the end the following:

5 “(d) *ASSISTED REEMPLOYMENT AGREEMENTS.*—

6 “(1) *IN GENERAL.*—The Secretary may enter
7 into an assisted reemployment agreement with an
8 agency or instrumentality of any branch of the Fed-
9 eral Government or a State or local government or a
10 private employer that employs an individual eligible
11 for wage-loss compensation under section 8105 or
12 8106 to enable the individual to return to productive
13 employment.

14 “(2) *CONTENTS.*—An assisted reemployment
15 agreement under paragraph (1)—

16 “(A) may provide that the Secretary will
17 use amounts in the Employees’ Compensation
18 Fund to reimburse an employer in an amount
19 equal to not more than 100 percent of the com-
20 pensation the individual would otherwise receive
21 under section 8105 or 8106; and

22 “(B) may not be for a period of more than
23 3 years.

24 “(e) *LIST.*—To facilitate the hiring of individuals eli-
25 gible for wage-loss compensation under section 8105 or

1 8106, the Secretary shall provide a list of such individuals
2 to the Office of Personnel Management, which the Office of
3 Personnel Management shall provide to all agencies and in-
4 strumentalities of the Federal Government.”.

5 (b) EMPLOYEES’ COMPENSATION FUND.—Section 8147
6 is amended by adding at the end:

7 “(d) Notwithstanding subsection (b), any benefits or
8 other payments paid to or on behalf of an employee under
9 this subchapter or any extension or application thereof for
10 a recurrence of injury, consequential injury, aggravation
11 of injury, or increase in percentage of impairment to a
12 member for which compensation is provided under the
13 schedule under section 8107 suffered in a permanent posi-
14 tion with an agency or instrumentality of the United States
15 while the employment with the agency or instrumentality
16 is covered under an assisted reemployment agreement en-
17 tered into under section 8104(d) shall not be included in
18 total cost of benefits and other payments in the statement
19 provided to the agency or instrumentality under subsection
20 (b) if the injury was originally incurred in a position not
21 covered by an assisted reemployment agreement.”.

22 (c) TERMINATION OF VOCATIONAL REHABILITATION
23 REQUIREMENT AFTER RETIREMENT AGE.—Section
24 8113(b) is amended by adding at the end the following: “An

1 *individual who has attained retirement age may not be re-*
 2 *quired to undergo vocational rehabilitation.”.*

3 (d) *MANDATORY BENEFIT REDUCTION FOR NON-*
 4 *COMPLIANCE.—Section 8113(b) is amended by striking*
 5 *“may reduce” and inserting “shall reduce”.*

6 (e) *TECHNICAL AND CONFORMING AMENDMENTS.—*

7 (1) *IN GENERAL.—Subchapter III of chapter 15*
 8 *of title 31, United States Code, is amended by adding*
 9 *at the end the following:*

10 **“§ 1538. Authorization for assisted reemployment**

11 *“Funds may be transferred from the Employees’ Com-*
 12 *pensation Fund established under section 8147 of title 5 to*
 13 *the applicable appropriations account for an agency or in-*
 14 *strumentality of any branch of the Federal Government for*
 15 *the purposes of reimbursing the agency or instrumentality*
 16 *in accordance with an assisted reemployment agreement en-*
 17 *tered into under section 8104 of title 5.”.*

18 (2) *TABLE OF SECTIONS.—The table of sections*
 19 *for chapter 15 of title 31, United States Code, is*
 20 *amended by inserting after the item relating to sec-*
 21 *tion 1537 the following:*

“1538. Authorization for assisted reemployment.”.

22 **SEC. 306. REPORTING REQUIREMENTS.**

23 (a) *IN GENERAL.—Chapter 81 is amended by insert-*
 24 *ing after section 8106 the following:*

1 **“§ 8106a. Reporting requirements**

2 “(a) *DEFINITION.*—*In this section, the term ‘employee*
3 *receiving compensation’ means an employee who—*

4 “(1) *is paid compensation under section 8105 or*
5 8106; and

6 “(2) *has not attained retirement age.*

7 “(b) *AUTHORITY.*—*The Secretary of Labor shall re-*
8 *quire an employee receiving compensation to report the*
9 *earnings of the employee receiving compensation from em-*
10 *ployment or self-employment, by affidavit or otherwise, in*
11 *the manner and at the times the Secretary specifies.*

12 “(c) *CONTENTS.*—*An employee receiving compensation*
13 *shall include in a report required under subsection (a) the*
14 *value of housing, board, lodging, and other advantages*
15 *which are part of the earnings of the employee receiving*
16 *compensation in employment or self-employment and the*
17 *value of which can be estimated.*

18 “(d) *FAILURE TO REPORT AND FALSE REPORTS.*—

19 “(1) *IN GENERAL.*—*An employee receiving com-*
20 *pen- sation who fails to make an affidavit or other re-*
21 *port required under subsection (b) or who knowingly*
22 *omits or understates any part of the earnings of the*
23 *employee in such an affidavit or other report shall*
24 *forfeit the right to compensation with respect to any*
25 *period for which the report was required.*

1 “(2) *FORFEITED COMPENSATION.*—*Compensation*
 2 *forfeited under this subsection, if already paid to the*
 3 *employee receiving compensation, shall be recovered*
 4 *by a deduction from the compensation payable to the*
 5 *employee or otherwise recovered under section 8129,*
 6 *unless recovery is waived under that section.”.*

7 (b) *TECHNICAL AND CONFORMING AMENDMENTS.*—
 8 *The table of sections for chapter 81 is amended by inserting*
 9 *after the item relating to section 8106 the following:*

 “8106a. *Reporting requirements.*”.

10 **SEC. 307. *DISABILITY MANAGEMENT REVIEW; INDE-***
 11 ***PENDENT MEDICAL EXAMINATIONS.***

12 *Section 8123 is amended by adding at the end the fol-*
 13 *lowing:*

14 “(e) *DISABILITY MANAGEMENT REVIEW.*—

15 “(1) *DEFINITIONS.*—*In this subsection—*

16 “(A) *the term ‘covered employee’ means an*
 17 *employee who is in continuous receipt of com-*
 18 *penetration for total disability under section 8105*
 19 *for a period of not less than 6 months; and*

20 “(B) *the term ‘disability management re-*
 21 *view process’ means the disability management*
 22 *review process established under paragraph*
 23 *(2)(A).*

24 “(2) *ESTABLISHMENT.*—*The Secretary of Labor*
 25 *shall—*

1 “(A) *establish a disability management re-*
2 *view process for the purpose of certifying and*
3 *monitoring the disability status and extent of in-*
4 *jury of each covered employee; and*

5 “(B) *promulgate regulations for the admin-*
6 *istration of the disability management review*
7 *process.*

8 “(3) *PHYSICAL EXAMINATIONS REQUIRED.—*
9 *Under the disability management review process, the*
10 *Secretary of Labor shall periodically require covered*
11 *employees to submit to physical examinations under*
12 *subsection (a) by physicians selected by the Secretary.*
13 *A physician conducting a physical examination of a*
14 *covered employee shall submit to the Secretary a re-*
15 *port regarding the nature and extent of the injury to*
16 *and disability of the covered employee.*

17 “(4) *FREQUENCY.—*

18 “(A) *IN GENERAL.—The regulations pro-*
19 *mulgated under paragraph (2)(B) shall specify*
20 *the process and criteria for determining when*
21 *and how frequently a physical examination*
22 *should be conducted for a covered employee.*

23 “(B) *MINIMUM FREQUENCY.—*

24 “(i) *INITIAL.—An initial physical ex-*
25 *amination shall be conducted not more than*

1 *a brief period after the date on which a cov-*
2 *ered employee has been in continuous re-*
3 *ceipt of compensation for total disability*
4 *under section 8015 for 6 months.*

5 “(ii) *SUBSEQUENT EXAMINATIONS.—*
6 *After the initial physical examination,*
7 *physical examinations of a covered em-*
8 *ployee shall be conducted not less than once*
9 *every 3 years.*

10 “(5) *EMPLOYING AGENCY OR INSTRUMENTALITY*
11 *REQUESTS.—*

12 “(A) *IN GENERAL.—The agency or instru-*
13 *mentality employing an employee who has made*
14 *a claim for compensation for total disability*
15 *under section 8105 may at any time submit a*
16 *request for the Secretary of Labor to promptly*
17 *require the employee to submit to a physical ex-*
18 *amination under this subsection.*

19 “(B) *REQUESTING OFFICER.—A request*
20 *under subparagraph (A) shall be made on behalf*
21 *of an agency or instrumentality by—*

22 “(i) *the head of the agency or instru-*
23 *mentality;*

24 “(ii) *the Chief Human Capital Officer*
25 *of the agency or instrumentality; or*

1 “(iii) if the agency or instrumentality
2 does not have a Chief Human Capital Offi-
3 cer, an officer with responsibilities similar
4 to those of a Chief Human Capital Officer
5 designated by the head of the agency or in-
6 strumentality to make requests under this
7 paragraph.

8 “(C) INFORMATION.—A request under sub-
9 paragraph (A) shall be in writing and accom-
10 panied by—

11 “(i) a certification by the officer mak-
12 ing the request that the officer has reviewed
13 the relevant material in the employee’s file;

14 “(ii) an explanation of why the officer
15 has determined, based on the materials in
16 the file and other information known to the
17 officer, that requiring a physical examina-
18 tion of the employee under this subsection is
19 necessary; and

20 “(iii) copies of the materials relating
21 to the employee that are relevant to the offi-
22 cer’s determination and request, unless the
23 agency or instrumentality has a reasonable
24 basis for not providing the materials.

1 “(D) *EXAMINATION.*—If the Secretary of
2 Labor receives a request under this paragraph
3 before an employee has undergone an initial
4 physical examination under paragraph
5 (4)(B)(i), the Secretary shall promptly require
6 the physical examination of the employee. A
7 physical examination under this subparagraph
8 shall satisfy the requirement under paragraph
9 (4)(B)(i) that an initial physical examination be
10 conducted.

11 “(E) *AFTER INITIAL EXAMINATION.*—

12 “(i) *IN GENERAL.*—If the Secretary of
13 Labor receives a request under this para-
14 graph after an employee has undergone an
15 initial physical examination under para-
16 graph (4)(B)(i), the Secretary shall—

17 “(I) review the request and the in-
18 formation, explanation, and other ma-
19 terials submitted with the request; and

20 “(II) determine whether to require
21 the physical examination of the em-
22 ployee who is the subject of the request.

23 “(ii) *NOT GRANTED.*—If the Secretary
24 determines not to grant a request described
25 in clause (i), the Secretary shall promptly

1 *notify the officer who made the request and*
2 *provide an explanation of the reasons why*
3 *the request was denied.”.*

4 **SEC. 308. WAITING PERIOD.**

5 *(a) IN GENERAL.—Section 8117 is amended—*

6 *(1) in the section heading, by striking “Time*
7 *of accrual of right” and inserting “Waiting*
8 *period”;*

9 *(2) in subsection (a)—*

10 *(A) in the matter preceding paragraph (1),*
11 *by striking “An employee” and all that follows*
12 *through “is not entitled” and inserting “IN GEN-*
13 *ERAL.—An employee is not entitled to continu-*
14 *ation of pay within the meaning of section 8118*
15 *for the first 3 days of temporary disability or, if*
16 *section 8118 does not apply, is not entitled”;*

17 *(B) in paragraph (1), by adding “or” at*
18 *the end;*

19 *(C) by striking paragraph (2); and*

20 *(D) by redesignating paragraph (3) as*
21 *paragraph (2); and*

22 *(3) in subsection (b)—*

23 *(A) by striking “A Postal Service” the first*
24 *place it appears and all that follows through “A*

1 *Postal Service*” the second place it appears and
 2 inserting “*USE OF LEAVE.—An*”;

3 (B) by striking “*that 3-day period*” and in-
 4 serting “*the first 3 days of temporary dis-*
 5 *ability*”; and

6 (C) by striking “*or is followed by perma-*
 7 *nent disability*”.

8 (b) *CONTINUATION OF PAY.—Section 8118 is amend-*
 9 *ed—*

10 (1) *in the section heading, by striking “; elec-*
 11 *tion to use annual or sick leave*”;

12 (2) *in subsection (b)(1), by striking “section*
 13 *8117(b)” and inserting “section 8117”;*

14 (3) *by striking subsection (c); and*

15 (4) *by redesignating subsections (d) and (e) as*
 16 *subsections (c) and (d), respectively.*

17 (c) *TECHNICAL AND CONFORMING AMENDMENTS.—The*
 18 *table of sections for chapter 81 is amended by striking the*
 19 *items relating to sections 8117 and 8118 and inserting the*
 20 *following:*

 “8117. *Waiting period.*

 “8118. *Continuation of pay.*”.

21 **SEC. 309. ELECTION OF BENEFITS.**

22 (a) *IN GENERAL.—Section 8116 is amended by adding*
 23 *at the end the following:*

24 “(e) *RETIREMENT BENEFITS.—*

1 “(1) *IN GENERAL.*—*An individual entitled to*
2 *compensation benefits payable under this subchapter*
3 *and under chapter 83 or 84 or any other retirement*
4 *system for employees of the Government, for the same*
5 *period, shall elect which benefits the individual will*
6 *receive.*

7 “(2) *ELECTION.*—

8 “(A) *DEADLINE.*—*An individual shall make*
9 *an election under paragraph (1) in accordance*
10 *with such deadlines as the Secretary of Labor*
11 *shall establish, which shall be a reasonable period*
12 *after the individual has received notice of a final*
13 *determination that the individual is entitled to*
14 *compensation benefits payable under this sub-*
15 *chapter.*

16 “(B) *REVOCABILITY.*—*An election under*
17 *paragraph (1) shall be revocable, notwith-*
18 *standing any other provision of law, except for*
19 *any period during which an individual—*

20 “(i) *was qualified for benefits payable*
21 *under both this subchapter and under a re-*
22 *irement system described in paragraph (1);*
23 *and*

24 “(ii) *was paid benefits under the re-*
25 *irement system after having been notified*

1 “(2) *AUTHORIZATION.*—*The Secretary may use*
 2 *field nurses to coordinate medical services and voca-*
 3 *tional rehabilitation programs for injured employees*
 4 *under this subchapter. If an employee refuses to co-*
 5 *operate with a field nurse or obstructs a field nurse*
 6 *in the performance of duties under this subchapter,*
 7 *the right to compensation under this subchapter shall*
 8 *be suspended until the refusal or obstruction stops.”.*

9 **SEC. 311. SUBROGATION OF CONTINUATION OF PAY.**

10 (a) *IN GENERAL.*—*Section 8131 is amended—*

11 (1) *in subsection (a), in the matter preceding*
 12 *paragraph (1), by inserting “continuation of pay or”*
 13 *before “compensation”;*

14 (2) *in subsection (b), by inserting “continuation*
 15 *of pay or” before “compensation”; and*

16 (3) *in subsection (c)—*

17 (A) *by inserting “continuation of pay or”*
 18 *before “compensation already paid”; and*

19 (B) *by inserting “continuation of pay or”*
 20 *before “compensation payable”.*

21 (b) *ADJUSTMENT AFTER RECOVERY FROM A THIRD*
 22 *PERSON.*—*Section 8132 is amended—*

23 (1) *in the first sentence—*

24 (A) *by inserting “continuation of pay or”*
 25 *before “compensation is payable”;*

1 (B) by inserting “continuation of pay or”
2 before “compensation from the United States”;

3 (C) by striking “by him or in his behalf”
4 and inserting “by the beneficiary or on behalf of
5 the beneficiary”;

6 (D) by inserting “continuation of pay and”
7 before “compensation paid by the United
8 States”; and

9 (E) by striking “compensation payable to
10 him” and inserting “continuation of pay or
11 compensation payable to the beneficiary”;

12 (2) in the second sentence, by striking “his des-
13 ignee” and inserting “the designee of the beneficiary”;
14 and

15 (3) in the fourth sentence, by striking “If com-
16 pensation” and all that follows through “payable to
17 him by the United States” and inserting “If continu-
18 ation of pay or compensation has not been paid to the
19 beneficiary, the money or property shall be credited
20 against continuation of pay or compensation payable
21 to the beneficiary by the United States”.

22 **SEC. 312. INTEGRITY AND COMPLIANCE.**

23 (a) *IN GENERAL.*—Subchapter I of chapter 81 is
24 amended by adding at the end the following:

1 **“§ 8153. Integrity and Compliance Program**

2 “(a) *DEFINITIONS.—In this section—*

3 “(1) *the term ‘FECA program’ means the Fed-*
4 *eral Employees Compensation Program administered*
5 *under this subchapter;*

6 “(2) *the term ‘Integrity and Compliance Pro-*
7 *gram’ means the Integrity and Compliance Program*
8 *established under subsection (b);*

9 “(3) *the term ‘provider’ means a provider of*
10 *medical or other services under the FECA program;*
11 *and*

12 “(4) *the term ‘Secretary’ means the Secretary of*
13 *Labor.*

14 “(b) *INTEGRITY AND COMPLIANCE PROGRAM.—Not*
15 *later than 270 days after the date of enactment of this sec-*
16 *tion, the Secretary shall establish an Integrity and Compli-*
17 *ance Program for the purpose of preventing, identifying,*
18 *and recovering improper payments (including improper*
19 *payments obtained by fraud) for the FECA program, which*
20 *shall include—*

21 “(1) *procedures for identifying potentially im-*
22 *proper payments (including improper payments ob-*
23 *tained by fraud) before payment is made to claimants*
24 *and providers, including, where appropriate, pre-*
25 *dictive analytics;*

1 “(2) reviews after payment is made to identify
2 potentially improper payments (including improper
3 payments obtained by fraud) to claimants and pro-
4 viders;

5 “(3) on-going screening and verification proce-
6 dures to ensure the continued eligibility of medical
7 providers to provide services under the FECA pro-
8 gram, including licensure, Federal disbarment, and
9 the existence of relevant criminal convictions;

10 “(4) provision of appropriate information, edu-
11 cation, and training to claimants and providers on
12 requirements to ensure the integrity of the FECA pro-
13 gram, including payments under the FECA program;

14 “(5) appropriate controls and audits to ensure
15 that providers adopt internal controls and procedures
16 for compliance with requirements under the FECA
17 program;

18 “(6) procedures to ensure—

19 “(A) initial and continuing eligibility of
20 claimants for compensation, benefits, or services
21 under the FECA program; and

22 “(B) ongoing verification of databases of in-
23 formation relating to claimants to ensure accu-
24 racy and completeness; and

1 “(7) *appropriately sharing and accessing data*
2 *and information with other agencies and instrumen-*
3 *talities of the United States, including the United*
4 *States Postal Service.*

5 “(c) *INTERAGENCY COOPERATION ON ANTI-FRAUD EF-*
6 *FORTS.—*

7 “(1) *IN GENERAL.—In administering the FECA*
8 *program, including the Integrity and Compliance*
9 *Program, the Secretary shall cooperate with other*
10 *agencies and instrumentalities of the United States*
11 *(including the United States Postal Service) and the*
12 *Inspectors General of such agencies and instrumenta-*
13 *lities to prevent, identify, and recover improper pay-*
14 *ments (including improper payments obtained by*
15 *fraud) under the FECA program.*

16 “(2) *TASK FORCE.—*

17 “(A) *IN GENERAL.—There is established a*
18 *task force, which shall be known as the FECA*
19 *Integrity and Compliance Task Force (in this*
20 *paragraph referred to as the ‘Task Force’).*

21 “(B) *MEMBERSHIP.—The members of the*
22 *Task Force shall be—*

23 “(i) *the Secretary, who shall serve as*
24 *the Chairperson of the Task Force;*

1 “(ii) *the Postmaster General, who shall*
2 *serve as the Vice Chairperson of the Task*
3 *Force;*

4 “(iii) *the Attorney General;*

5 “(iv) *the Director of the Office of Man-*
6 *agement and Budget;*

7 “(v) *the Inspector General of the De-*
8 *partment of Labor;*

9 “(vi) *the Inspector General of the*
10 *United States Postal Service;*

11 “(vii) *the Inspectors General of other*
12 *appropriate agencies and instrumentalities*
13 *of the United States that employ a signifi-*
14 *cant number of individuals receiving com-*
15 *ensation, benefits, or services under the*
16 *FECA program, as determined by the*
17 *Chairperson and Vice Chairperson of the*
18 *Task Force; and*

19 “(viii) *other appropriate Federal offi-*
20 *cial, as determined by the Chairperson and*
21 *Vice Chairperson of the Task Force.*

22 “(C) *DUTIES.—The Task Force shall—*

23 “(i) *set forth, in writing, a description*
24 *of the respective roles and responsibilities in*
25 *preventing, identifying, recovering, and*

1 *prosecuting fraud under, and otherwise en-*
2 *sureing integrity and compliance of, the*
3 *FECA program of—*

4 “(I) *the Secretary (including sub-*
5 *ordinate officials such as the Director*
6 *of the Office of Workers’ Compensation*
7 *Programs);*

8 “(II) *the Inspector General of the*
9 *Department of Labor;*

10 “(III) *the Inspectors General of*
11 *agencies and instrumentalities of the*
12 *United States that employ claimants*
13 *under the FECA program;*

14 “(IV) *the Attorney General; and*

15 “(V) *any other relevant officials;*

16 “(ii) *develop procedures for sharing in-*
17 *formation of possible fraud under the FECA*
18 *program or other intentional misstatements*
19 *by claimants or providers under the FECA*
20 *program, including procedures addressing—*

21 “(I) *notification of appropriate*
22 *officials of the Department of Labor of*
23 *potential fraud or intentional*
24 *misstatements, including provision of*
25 *supporting information;*

1 “(II) *timely and appropriate re-*
2 *ponse by officials of the Department of*
3 *Labor to notifications described in sub-*
4 *clause (I);*

5 “(III) *the inclusion of informa-*
6 *tion and evidence relating to fraud and*
7 *other intentional misstatements in*
8 *criminal, civil, and administrative*
9 *proceedings relating to the provision of*
10 *compensation, benefits, or medical*
11 *services (including payments to pro-*
12 *viders) under the FECA program;*

13 “(IV) *the coordination of criminal*
14 *investigations with the administration*
15 *of the FECA program; and*

16 “(V) *the protection of information*
17 *relating to an investigation of possible*
18 *fraud under the FECA program from*
19 *potential disclosure, including require-*
20 *ments that enable investigative files to*
21 *be appropriately separated from case*
22 *management files;*

23 “(iii) *not later than 1 year after the*
24 *date of enactment of this section, submit to*
25 *the Committee on Homeland Security and*

1 *Governmental Affairs of the Senate and the*
2 *Committee on Oversight and Government*
3 *Reform and the Committee on Education*
4 *and the Workforce of the House of Rep-*
5 *resentatives a report that includes the de-*
6 *scription and procedures required under*
7 *clauses (i) and (ii).*

8 “(d) *IMPROVEMENTS TO ACCESS OF FEDERAL DATA-*
9 *BASES.*—

10 “(1) *IN GENERAL.*—*The Secretary, the Post-*
11 *master General, the Inspector General of the United*
12 *States Postal Service, and the Inspector General of*
13 *the Department of Labor shall have access to and*
14 *make use of the agency databases described in this*
15 *subsection in order to improve compliance with the*
16 *requirements under and the integrity of the FECA*
17 *program.*

18 “(2) *SOCIAL SECURITY EARNINGS INFORMA-*
19 *TION.*—

20 “(A) *IN GENERAL.*—*Notwithstanding sec-*
21 *tion 552a or any other provision of Federal or*
22 *State law, upon written request, the Commis-*
23 *sioner of Social Security shall make available to*
24 *the Secretary, the Inspector General of the De-*
25 *partment of Labor, the Postmaster General, and*

1 *the Inspector General of the United States Postal*
2 *Service the Social Security earnings information*
3 *of a living or deceased employee required by the*
4 *Secretary to carry out this subchapter.*

5 “(B) *PROCEDURES.*—*The Secretary shall*
6 *establish procedures for correlating the identity*
7 *and status of recipients of compensation, bene-*
8 *fits, or services under this subchapter with Social*
9 *Security earnings information described in sub-*
10 *paragraph (A).*

11 “(3) *OFFICE OF PERSONNEL MANAGEMENT FED-*
12 *ERAL RETIREE DATABASE.*—*Notwithstanding section*
13 *552a or any other provision of Federal or State law,*
14 *upon written request, the Director of the Office of Per-*
15 *sonnel Management shall make available to the Sec-*
16 *retary, the Inspector General of the Department of*
17 *Labor, the Postmaster General, and the Inspector*
18 *General of the United States Postal Service the infor-*
19 *mation in the databases of Federal employees and re-*
20 *tirees maintained by the Director.*

21 “(4) *DEPARTMENT OF VETERANS AFFAIRS BENE-*
22 *FICIARIES DATABASE.*—*Notwithstanding section 552a*
23 *or any other provision of Federal or State law, upon*
24 *written request, the Secretary of Veterans Affairs shall*
25 *make available to the Secretary, the Inspector General*

1 *of the Department of Labor, the Postmaster General,*
2 *and the Inspector General of the United States Postal*
3 *Service the information in the database of disabled*
4 *individuals maintained by the Secretary of Veterans*
5 *Affairs.*

6 “(5) *NATIONAL DIRECTORY OF NEW HIRES.—*
7 *Notwithstanding section 552a, section 453(j) of the*
8 *Social Security Act (42 U.S.C. 653(j)), or any other*
9 *provision of Federal or State law, upon written re-*
10 *quest, the Secretary of Health and Human Services*
11 *shall make available to the Secretary, the Inspector*
12 *General of the Department of Labor, the Postmaster*
13 *General, the Inspector General of the United States*
14 *Postal Service, and the Comptroller General of the*
15 *United States the information in the National Direc-*
16 *tory of New Hires. The Comptroller General may ob-*
17 *tain information from the National Directory of New*
18 *Hires under this paragraph for any audit, evalua-*
19 *tion, or investigation, including any audit, evalua-*
20 *tion, or investigation relating to program integrity.*

21 “(6) *PROVISION.—Information requested under*
22 *this subsection shall be provided—*

23 “(A) *in a timely manner;*

24 “(B) *at a reasonable cost to the Secretary,*
25 *the Inspector General of the Department of*

1 *Labor, the Postmaster General, the Inspector*
2 *General of the United States Postal Service, or*
3 *the Comptroller General of the United States;*
4 *and*

5 “(C) *in the manner, frequency, and form*
6 *reasonably specified by the officer making the re-*
7 *quest, which, upon request, shall include elec-*
8 *tronic form.*

9 “(7) *ASSESSMENT OF DATA COST-EFFECTIVE-*
10 *NESS.—*

11 “(A) *IN GENERAL.—The Secretary shall*
12 *consider and assess procedures for correlating the*
13 *identity and status of recipients of compensa-*
14 *tion, benefits, or services under this subchapter*
15 *with information relating to employees, retirees,*
16 *and individuals described in paragraphs (3), (4),*
17 *and (5).*

18 “(B) *REPORT.—Not later than 1 year after*
19 *the date of enactment of this section, the Sec-*
20 *retary shall submit to the Committee on Home-*
21 *land Security and Governmental Affairs of the*
22 *Senate and the Committee on Oversight and*
23 *Government Reform and the Committee on Edu-*
24 *cation and the Workforce of the House of Rep-*
25 *resentatives a report on the cost-effectiveness of*

1 *the use of the databases described in paragraphs*
2 *(3), (4), and (5) for program compliance and in-*
3 *tegrity. The report required under this subpara-*
4 *graph may be included as part of the report re-*
5 *quired under subsection (f).*

6 “(8) *UNITED STATES POSTAL SERVICE FECA EN-*
7 *ROLLEE DATABASE.—Not later than 180 days after*
8 *the date of enactment of this section, in order to*
9 *track, verify, and communicate with the Secretary*
10 *and other relevant entities, the Postmaster General*
11 *shall establish an electronic database of information*
12 *relating to employees of the United States Postal*
13 *Service who have applied for or are receiving com-*
14 *penetration, benefits, or services under this subchapter.*

15 “(e) *GENERAL PROTOCOLS AND SECURITY.—*

16 “(1) *ESTABLISHMENT.—*

17 “(A) *IN GENERAL.—In order to ensure*
18 *strong information security and privacy stand-*
19 *ards, the Secretary, the Postmaster General, the*
20 *Inspector General of the Department of Labor,*
21 *and the Inspector General of the United States*
22 *Postal Service shall establish protocols for the se-*
23 *cure transfer and storage of any information*
24 *provided to an individual or entity under this*
25 *section.*

1 “(B) *CONSIDERATIONS.*—*In establishing*
2 *protocols under subparagraph (A), the Secretary,*
3 *the Postmaster General, the Inspector General of*
4 *the Department of Labor, and the Inspector Gen-*
5 *eral of the United States Postal Service shall*
6 *consider any recommendations submitted to the*
7 *Secretary by the Inspector General of the De-*
8 *partment of Health and Human Services with*
9 *respect to the secure transfer and storage of in-*
10 *formation, and to comply with privacy laws and*
11 *best practices.*

12 “(C) *FRAUD CASE PROTECTION.*—*The Sec-*
13 *retary, the Postmaster General, the Inspector*
14 *General of the Department of Labor, and the In-*
15 *pector General of the United States Postal Serv-*
16 *ice shall establish protocols and procedures to en-*
17 *able information and materials relating to an*
18 *active investigation of possible fraud relating to*
19 *the FECA program to be appropriately kept sep-*
20 *arate from the files for employees relating to the*
21 *provision of compensation, benefits, or services*
22 *under the FECA program.*

23 “(2) *COMPLIANCE.*—*The Secretary, the Post-*
24 *master General, the Inspector General of the Depart-*
25 *ment of Labor, and the Inspector General of the*

1 *United States Postal Service shall ensure that any in-*
2 *formation provided to an individual or entity under*
3 *this section is provided in accordance with protocols*
4 *established under paragraph (1).*

5 *“(f) REPORT.—Not later than 1 year after the date of*
6 *enactment of this section, and annually thereafter for 5*
7 *years, the Secretary shall submit a report on the activities*
8 *of the Secretary under this section, including implementa-*
9 *tion of the Integrity and Compliance Program, to—*

10 *“(1) the Committee on Homeland Security and*
11 *Governmental Affairs of the Senate; and*

12 *“(2) the Committee on Oversight and Govern-*
13 *ment Reform and the Committee on Education and*
14 *the Workforce of the House of Representatives.*

15 *“(g) GAO REVIEW.—The Comptroller General of the*
16 *United States shall—*

17 *“(1) conduct periodic reviews of the Integrity*
18 *and Compliance Program; and*

19 *“(2) submit reports on the results of the reviews*
20 *under paragraph (1) to the Committee on Homeland*
21 *Security and Governmental Affairs of the Senate and*
22 *the Committee on Oversight and Government Reform*
23 *and the Committee on Education and the Workforce*
24 *of the House of Representatives not later than—*

1 “(A) 2 years after the date of enactment of
2 this section; and

3 “(B) 3 years after submission of the report
4 under subparagraph (A).”.

5 (b) *TECHNICAL AND CONFORMING AMENDMENT.*—The
6 table of sections for chapter 81 is amended by inserting after
7 the item relating to section 8152 the following:

 “8153. Integrity and Compliance Program.”.

8 **SEC. 313. AMOUNT OF COMPENSATION.**

9 (a) *INJURIES TO FACE, HEAD, AND NECK.*—Section
10 8107(c)(21) is amended—

11 (1) by striking “not to exceed \$3,500” and in-
12 serting “in proportion to the severity of the disfigure-
13 ment, not to exceed \$50,000,”; and

14 (2) by adding at the end the following: “The
15 maximum amount of compensation under this para-
16 graph shall be increased on March 1 of each year by
17 the amount determined by the Secretary of Labor to
18 represent the percent change in the price index pub-
19 lished for December of the preceding year over the
20 price index published for the December of the year
21 prior to the preceding year, adjusted to the nearest
22 one-tenth of 1 percent.”.

23 (b) *FUNERAL EXPENSES.*—Section 8134(a) is amend-
24 ed—

1 (1) *by striking “\$800” and inserting “\$6,000”;*
2 *and*

3 (2) *by adding at the end the following: “The*
4 *maximum amount of compensation under this sub-*
5 *section shall be increased on March 1 of each year by*
6 *the amount determined by the Secretary of Labor to*
7 *represent the percent change in the price index pub-*
8 *lished for December of the preceding year over the*
9 *price index published for the December of the year*
10 *prior to the preceding year, adjusted to the nearest*
11 *one-tenth of 1 percent.”.*

12 (c) *APPLICATION.—The amendments made by this sec-*
13 *tion shall apply to injuries or deaths, respectively, occur-*
14 *ring on or after the date of enactment of this Act.*

15 **SEC. 314. TECHNICAL AND CONFORMING AMENDMENTS.**

16 *Chapter 81 is amended—*

17 (1) *in section 8101(1)(D), by inserting “for an*
18 *injury that occurred before the effective date of section*
19 *204(e) of the District of Columbia Self-Government*
20 *and Governmental Reorganization Act (Public Law*
21 *93–198; 87 Stat. 783; 5 U.S.C. 8101 note)” before the*
22 *semicolon;*

23 (2) *in section 8139, by inserting “under this sub-*
24 *chapter” after “Compensation awarded”;*

1 (3) in section 8148(a), by striking “section
2 8106” and inserting “section 8106a”;

3 **SEC. 315. REGULATIONS.**

4 (a) *IN GENERAL.*—As soon as possible after the date
5 of enactment of this Act, the Secretary of Labor shall pro-
6 mulgate regulations (which may include interim final regu-
7 lations) to carry out this title.

8 (b) *CONTENTS.*—The regulations promulgated under
9 subsection (a) shall include, for purposes of the amendments
10 made by sections 302 and 303, clarification of—

11 (1) what is a claim; and

12 (2) what is the date on which a period of dis-
13 ability, for which a claim is made, commences.

14 **TITLE IV—OTHER MATTERS**

15 **SEC. 401. PROFITABILITY PLAN.**

16 (a) *PLAN REQUIRED.*—Not later than 90 days after
17 the date of enactment of this Act, the Postal Service shall
18 submit to the Committee on Homeland Security and Gov-
19 ernmental Affairs of the Senate, the Committee on Oversight
20 and Government Reform of the House of Representatives,
21 the Comptroller General of the United States, and the Com-
22 mission a plan describing, in detail, the actions the Postal
23 Service will take to—

24 (1) become profitable by fiscal year 2015; and

25 (2) achieve long-term financial solvency.

1 (b) *CONSIDERATIONS.*—*The plan required under sub-*
2 *section (a) shall take into consideration—*

3 (1) *the legal authority of the Postal Service;*

4 (2) *the changes in the legal authority and re-*
5 *sponsibilities of the Postal Service under this Act;*

6 (3) *any cost savings that the Postal Service an-*
7 *ticipates will be achieved through negotiations with*
8 *employees of the Postal Service; and*

9 (4) *projected changes in mail volume.*

10 (c) *UPDATES.*—*The Postal Service shall update the*
11 *plan required under subsection (a) not less frequently than*
12 *quarterly, until the last quarter of fiscal year 2015.*

13 **SEC. 402. POSTAL RATES.**

14 (a) *COMMISSION STUDY.*—

15 (1) *IN GENERAL.*—*Not earlier than 2 years after*
16 *the date of enactment of this Act, the Commission*
17 *shall commence a study to determine—*

18 (A) *whether and to what extent any market-*
19 *dominant classes, products, or types of mail serv-*
20 *ices do not bear the direct and indirect costs at-*
21 *tributable to those classes, products, or types of*
22 *mail service; and*

23 (B) *the impact of any excess mail proc-*
24 *essing, transportation, or delivery capacity of the*
25 *Postal Service on the direct and indirect costs*

1 *attributable to any class, product, or type of*
2 *mail service that bears less than 100 percent of*
3 *the costs attributable to the class, product, or*
4 *type of mail service, as determined under sub-*
5 *paragraph (A).*

6 (2) *REQUIREMENTS.—The Commission shall*
7 *conduct the study under paragraph (1) in a manner*
8 *that protects confidential and proprietary business*
9 *information.*

10 (3) *HEARING.—Before completing the study*
11 *under paragraph (1), the Commission shall hold a*
12 *public hearing, on the record, in order to better in-*
13 *form the conclusions of the study. The Postal Service,*
14 *postal customers, and other interested persons may*
15 *participate in the hearing under this paragraph.*

16 (4) *COMPLETION.—Not later than 6 months after*
17 *the date on which the Commission commences the*
18 *study under subsection (a), the Commission shall*
19 *complete the study.*

20 (b) *ANNUAL UPDATES REQUIRED.—Not later than 1*
21 *year after the date of completion of the study under sub-*
22 *section (a), and annually thereafter, the Commission*
23 *shall—*

24 (1) *determine whether any class of mail bears*
25 *less than 100 percent of the direct and indirect costs*

1 *attributable to the class, product, or type of mail serv-*
2 *ice, in the same manner as under subsection*
3 *(a)(1)(A);*

4 *(2) for any class of mail for which the Commis-*
5 *sion makes a determination under paragraph (1), up-*
6 *date the study under subsection (a); and*

7 *(3) include the study updated under paragraph*
8 *(2) in the annual written determination of the Com-*
9 *mission under section 3653 of title 39, United States*
10 *Code.*

11 *(c) POSTAL RATES.—*

12 *(1) DEFINITION.—In this subsection, the term*
13 *“loss-making”, as used with respect to a class of mail,*
14 *means a class of mail that bears less than 100 percent*
15 *of the costs attributable to the class of mail, according*
16 *to the most recent annual determination of the Com-*
17 *mission under subsection (a)(1) or (b)(1), adjusted to*
18 *account for the quantitative effect of excess mail proc-*
19 *essing, transportation, or delivery capacity of the*
20 *Postal Service on the costs attributable to the class of*
21 *mail.*

22 *(2) IN GENERAL.—Not later than 1 year after*
23 *the date on which the study under subsection (a) is*
24 *completed, and annually thereafter, the Postal Service*

1 *shall establish postal rates for each loss-making class*
2 *of mail.*

3 (3) *CONSIDERATIONS.—The Postal Service may*
4 *establish postal rates under paragraph (2) in a man-*
5 *ner that ensures, to the extent practicable, that a class*
6 *of mail described in paragraph (2) is not loss-making*
7 *by—*

8 (A) *using the authority to increase rates*
9 *under section 3622(d)(1)(A) of title 39, United*
10 *States Code;*

11 (B) *exhausting any unused rate adjustment*
12 *authority, as defined in section 3622(d)(2)(C) of*
13 *title 39, United States Code, subject to para-*
14 *graph (4); and*

15 (C) *maximizing incentives to reduce costs*
16 *and increase efficiency with regard to the proc-*
17 *essing, transportation, and delivery of such mail*
18 *by the Postal Service.*

19 (4) *UNUSED RATE ADJUSTMENT AUTHORITY.—*
20 *Section 3622(d)(2)(C) of title 39, United States Code,*
21 *shall be applied by annually increasing by 2 percent-*
22 *age points any unused rate adjustment authority for*
23 *a class of mail that bears less than 90 percent of the*
24 *costs attributable to the class of mail, according to the*
25 *most recent annual determination of the Commission*

1 “(b) *COOPERATION WITHIN THE POSTAL SERVICE.*—
 2 *The Office of the Inspector General and other components*
 3 *of the Postal Service may enter into agreements to furnish*
 4 *to each other property, both real and personal, and personal*
 5 *and nonpersonal services. The furnishing of property and*
 6 *services under this subsection shall be under such terms and*
 7 *conditions, including reimbursability, as the Inspector Gen-*
 8 *eral and the head of the component concerned shall deem*
 9 *appropriate.”.*

10 (c) *TECHNICAL AND CONFORMING AMENDMENT.*—*The*
 11 *table of sections for chapter 4 of title 39, United States*
 12 *Code, is amended by striking the item relating to section*
 13 *411 and inserting the following:*

“411. Cooperation with other Government agencies and within the Postal Service.”.

14 **SEC. 404. SHIPPING OF WINE AND BEER.**

15 (a) *MAILABILITY.*—

16 (1) *NONMAILABLE ARTICLES.*—*Section 1716(f) of*
 17 *title 18, United States Code, is amended by striking*
 18 *“mails” and inserting “mails, except to the extent*
 19 *that the mailing is allowable under section 3001(p) of*
 20 *title 39”.*

21 (2) *APPLICATION OF LAWS.*—*Section 1161 of*
 22 *title 18, United States Code, is amended, by inserting*
 23 *“, and, with respect to the mailing of wine or malt*
 24 *beverages (as those terms are defined in section 117*

1 *of the Federal Alcohol Administration Act (27 U.S.C.*
2 *211)), is in conformity with section 3001(p) of title*
3 *39” after “Register”.*

4 **(b) REGULATIONS.**—*Section 3001 of title 39, United*
5 *States Code, is amended by adding at the end the following:*

6 “(p)(1) *In this subsection, the terms ‘wine’ and ‘malt*
7 *beverage’ have the same meanings as in section 117 of the*
8 *Federal Alcohol Administration Act (27 U.S.C. 211).*

9 “(2) *Wine or malt beverages shall be considered mail-*
10 *able if mailed—*

11 “(A) *by a licensed winery or brewery, in accord-*
12 *ance with applicable regulations under paragraph*
13 *(3); and*

14 “(B) *in accordance with the laws of—*

15 “(i) *the State, territory, or district of the*
16 *United States where the sender or duly author-*
17 *ized agent initiates the mailing; and*

18 “(ii) *the State, territory, or district of the*
19 *United States where the addressee or duly au-*
20 *thorized agent takes delivery.*

21 “(3) *The Postal Service shall prescribe such regulations*
22 *as may be necessary to carry out this subsection, including*
23 *regulations providing that—*

1 “(A) the mailing shall be by a means established
2 by the Postal Service to ensure direct delivery to the
3 addressee or a duly authorized agent;

4 “(B) the addressee (and any duly authorized
5 agent) shall be an individual at least 21 years of age;

6 “(C) the individual who takes delivery, whether
7 the addressee or a duly authorized agent, shall present
8 a valid, government-issued photo identification at the
9 time of delivery;

10 “(D) the wine or malt beverages may not be for
11 resale or other commercial purpose; and

12 “(E) the winery or brewery involved shall—

13 “(i) certify in writing to the satisfaction of
14 the Postal Service, through a registration process
15 administered by the Postal Service, that the
16 mailing is not in violation of any provision of
17 this subsection or regulation prescribed under
18 this subsection; and

19 “(ii) provide any other information or af-
20 firmation that the Postal Service may require,
21 including with respect to the prepayment of
22 State alcohol beverage taxes.

23 “(4) For purposes of this subsection—

24 “(A) a winery shall be considered to be licensed
25 if it holds an appropriate basic permit issued—

1 **“§2403. Annual report on the fiscal stability of the**
 2 **United States mailing industry**

3 “(a) *IN GENERAL.*—Not later than 1 year after the
 4 date of enactment of this section, and annually thereafter,
 5 the Postal Regulatory Commission shall submit a report on
 6 the fiscal stability of the United States mailing industry
 7 with respect to the preceding fiscal year to—

8 “(1) the Committee on Homeland Security and
 9 Governmental Affairs of the Senate; and

10 “(2) the Committee on Oversight and Govern-
 11 ment Reform of the House of Representatives.

12 “(b) *ASSISTANCE.*—The United States Postal Service
 13 and any Federal agency involved in oversight or data col-
 14 lection regarding industry sectors relevant to the report
 15 under subsection (a) shall provide any assistance to the
 16 Postal Regulatory Commission that the Postal Regulatory
 17 Commission determines is necessary in the preparation of
 18 a report under subsection (a).”

19 (b) *TECHNICAL AND CONFORMING AMENDMENT.*—The
 20 table of sections for chapter 24 of title 39, United States
 21 Code, is amended by adding at the end the following:

“2403. Annual report on the fiscal stability of the United States mailing indus-
 try.”

22 **SEC. 406. USE OF NEGOTIATED SERVICE AGREEMENTS.**

23 Section 3622 of title 39, United States Code, is amend-
 24 ed—

1 (1) *in subsection (c)(10)(A)—*

2 (A) *in the matter preceding clause (i), by*
3 *striking “either” and inserting “will”;*

4 (B) *in clause (i), by striking “or” at the*
5 *end;*

6 (C) *in clause (ii), by striking “and” at the*
7 *end and inserting “or”;* and

8 (D) *by adding at the end the following:*

9 *“(iii) preserve mail volume and rev-*
10 *enue; and”;* and

11 (2) *by adding at the end the following:*

12 “(g) *COORDINATION.—The Postal Service and the*
13 *Postal Regulatory Commission shall coordinate actions to*
14 *identify methods to increase the use of negotiated service*
15 *agreements for market-dominant products by the Postal*
16 *Service consistent with subsection (c)(10).”.*

17 **SEC. 407. CONTRACT DISPUTES.**

18 Section 7101(8) of title 41, United States Code, is
19 *amended—*

20 (1) *in subparagraph (C), by striking “and” at*
21 *the end;*

22 (2) *in subparagraph (D), by striking the period*
23 *at the end and inserting “; and”;* and

24 (3) *by adding at the end the following:*

1 “(E) the United States Postal Service and
2 the Postal Regulatory Commission.”.

3 **SEC. 408. CONTRACTING PROVISIONS.**

4 (a) *IN GENERAL.*—Part I of title 39, United States
5 Code, is amended by adding at the end the following:

6 **“CHAPTER 7—CONTRACTING PROVISIONS**

“Sec.

“701. Definitions.

“702. Advocate for competition.

“703. Delegation of contracting authority.

“704. Posting of noncompetitive purchase requests for noncompetitive contracts.

“705. Review of ethical issues.

“706. Ethical restrictions on participation in certain contracting activity.

“707. Congressional oversight authority.

7 **“§ 701. Definitions**

8 *“In this chapter—*

9 “(1) the term ‘contracting officer’ means an em-
10 ployee of a covered postal entity who has authority to
11 enter into a postal contract;

12 “(2) the term ‘covered postal entity’ means—

13 “(A) the Postal Service; or

14 “(B) the Postal Regulatory Commission;

15 “(3) the term ‘head of a covered postal entity’
16 means—

17 “(A) in the case of the Postal Service, the
18 Postmaster General; or

19 “(B) in the case of the Postal Regulatory
20 Commission, the Chairman of the Postal Regu-
21 latory Commission;

1 “(4) the term ‘postal contract’ means any con-
2 tract (including any agreement or memorandum of
3 understanding) entered into by a covered postal entity
4 for the procurement of goods or services; and

5 “(5) the term ‘senior procurement executive’
6 means the senior procurement executive of a covered
7 postal entity.

8 **“§ 702. Advocate for competition**

9 “(a) *ESTABLISHMENT AND DESIGNATION.*—

10 “(1) *ESTABLISHMENT.*—There is established in
11 each covered postal entity an advocate for competi-
12 tion.

13 “(2) *DESIGNATION.*—The head of each covered
14 postal entity shall designate for the covered postal en-
15 tity 1 or more officers or employees (other than the
16 senior procurement executive) to serve as the advocate
17 for competition.

18 “(b) *RESPONSIBILITIES.*—The advocate for competi-
19 tion of each covered postal entity shall—

20 “(1) be responsible for promoting competition to
21 the maximum extent practicable consistent with ob-
22 taining best value by promoting the acquisition of
23 commercial items and challenging barriers to com-
24 petition;

1 “(2) review the procurement activities of the cov-
2 ered postal entity; and

3 “(3) prepare and transmit to the head of each
4 covered postal entity, the senior procurement executive
5 of each covered postal entity, the Board of Governors,
6 and Congress, an annual report describing—

7 “(A) the activities of the advocate under
8 this section;

9 “(B) initiatives required to promote com-
10 petition;

11 “(C) barriers to competition that remain;
12 and

13 “(D) the number of waivers made by each
14 covered postal entity under section 704(c).

15 **“§ 703. Delegation of contracting authority**

16 “(a) *IN GENERAL.*—

17 “(1) *POLICY.*—Not later than 60 days after the
18 date of enactment of the 21st Century Postal Service
19 Act of 2012, the head of each covered postal entity
20 shall issue a policy on contracting officer delegations
21 of authority for the covered postal entity.

22 “(2) *CONTENTS.*—The policy issued under para-
23 graph (1) shall require that—

24 “(A) notwithstanding any delegation of au-
25 thority with respect to postal contracts, the ulti-

1 *mate responsibility and accountability for the*
 2 *award and administration of postal contracts re-*
 3 *sides with the senior procurement executive; and*

4 *“(B) a contracting officer shall maintain*
 5 *an awareness of and engagement in the activities*
 6 *being performed on postal contracts of which*
 7 *that officer has cognizance, notwithstanding any*
 8 *delegation of authority that may have been exe-*
 9 *cuted.*

10 “(b) *POSTING OF DELEGATIONS.*—

11 “(1) *IN GENERAL.*—*The head of each covered*
 12 *postal entity shall make any delegation of authority*
 13 *for postal contracts outside the functional contracting*
 14 *unit readily available and accessible on the website of*
 15 *the covered postal entity.*

16 “(2) *EFFECTIVE DATE.*—*This paragraph shall*
 17 *apply to any delegation of authority made on or after*
 18 *30 days after the date of enactment of the 21st Cen-*
 19 *tury Postal Service Act of 2012.*

20 “§ 704. ***Posting of noncompetitive purchase requests***
 21 ***for noncompetitive contracts***

22 “(a) *POSTING REQUIRED.*—

23 “(1) *POSTAL REGULATORY COMMISSION.*—*The*
 24 *Postal Regulatory Commission shall make the non-*
 25 *competitive purchase request for any noncompetitive*

1 *award, including the rationale supporting the non-*
2 *competitive award, publicly available on the website*
3 *of the Postal Regulatory Commission—*

4 “(A) *not later than 14 days after the date*
5 *of the award of the noncompetitive contract; or*

6 “(B) *not later than 30 days after the date*
7 *of the award of the noncompetitive contract, if*
8 *the basis for the award was a compelling busi-*
9 *ness interest.*

10 “(2) *POSTAL SERVICE.—The Postal Service shall*
11 *make the noncompetitive purchase request for any*
12 *noncompetitive award of a postal contract valued at*
13 *\$250,000 or more, including the rationale supporting*
14 *the noncompetitive award, publicly available on the*
15 *website of the Postal Service—*

16 “(A) *not later than 14 days after the date*
17 *of the award; or*

18 “(B) *not later than 30 days after the date*
19 *of the award, if the basis for the award was a*
20 *compelling business interest.*

21 “(3) *ADJUSTMENTS TO THE POSTING THRESH-*
22 *OLD FOR THE POSTAL SERVICE.—*

23 “(A) *REVIEW AND DETERMINATION.—Not*
24 *later than January 31 of each year, the Postal*
25 *Service shall—*

1 “(i) review the \$250,000 threshold es-
2 tablished under paragraph (2); and

3 “(ii) based on any change in the Con-
4 sumer Price Index for all-urban consumers
5 of the Department of Labor, determine
6 whether an adjustment to the threshold shall
7 be made.

8 “(B) AMOUNT OF ADJUSTMENTS.—An ad-
9 justment under subparagraph (A) shall be made
10 in increments of \$5,000. If the Postal Service de-
11 termines that a change in the Consumer Price
12 Index for a year would require an adjustment in
13 an amount that is less than \$5,000, the Postal
14 Service may not make an adjustment to the
15 threshold for the year.

16 “(4) EFFECTIVE DATE.—This subsection shall
17 apply to any noncompetitive contract awarded on or
18 after the date that is 90 days after the date of enact-
19 ment of the 21st Century Postal Service Act of 2012.

20 “(b) PUBLIC AVAILABILITY.—

21 “(1) IN GENERAL.—Subject to paragraph (2), the
22 information required to be made publicly available by
23 a covered postal entity under subsection (a) shall be
24 readily accessible on the website of the covered postal
25 entity.

1 “(2) *PROTECTION OF PROPRIETARY INFORMA-*
2 *TION.—A covered postal entity shall—*

3 “(A) *carefully screen any description of the*
4 *rationale supporting a noncompetitive award re-*
5 *quired to be made publicly available under sub-*
6 *section (a) to determine whether the description*
7 *includes proprietary data (including any ref-*
8 *erence or citation to the proprietary data) or se-*
9 *curity-related information; and*

10 “(B) *remove any proprietary data or secu-*
11 *urity-related information before making publicly*
12 *available a description of the rational sup-*
13 *porting a noncompetitive award.*

14 “(c) *WAIVERS.—*

15 “(1) *WAIVER PERMITTED.—If a covered postal*
16 *entity determines that making a noncompetitive pur-*
17 *chase request publicly available would risk placing*
18 *the Postal Service at a competitive disadvantage rel-*
19 *ative to a private sector competitor, the senior pro-*
20 *curement executive, in consultation with the advocate*
21 *for competition of the covered postal entity, may*
22 *wave the requirements under subsection (a).*

23 “(2) *FORM AND CONTENT OF WAIVER.—*

24 “(A) *FORM.—A waiver under paragraph*
25 *(1) shall be in the form of a written determina-*

1 *tion placed in the file of the contract to which*
 2 *the noncompetitive purchase agreement relates.*

3 *“(B) CONTENT.—A waiver under para-*
 4 *graph (1) shall include—*

5 *“(i) a description of the risk associated*
 6 *with making the noncompetitive purchase*
 7 *request publicly available; and*

8 *“(ii) a statement that redaction of sen-*
 9 *sitive information in the noncompetitive*
 10 *purchase request would not be sufficient to*
 11 *protect the Postal Service from being placed*
 12 *at a competitive disadvantage relative to a*
 13 *private sector competitor.*

14 *“(3) DELEGATION OF WAIVER AUTHORITY.—A*
 15 *covered postal entity may not delegate the authority*
 16 *to approve a waiver under paragraph (1) to any em-*
 17 *ployee having less authority than the senior procure-*
 18 *ment executive.*

19 **“§ 705. Review of ethical issues**

20 *“If a contracting officer identifies any ethical issues*
 21 *relating to a proposed contract and submits those issues and*
 22 *that proposed contract to the designated ethics official for*
 23 *the covered postal entity before the awarding of that con-*
 24 *tract, that ethics official shall—*

25 *“(1) review the proposed contract; and*

1 “(2) advise the contracting officer on the appro-
2 priate resolution of ethical issues.

3 **“§ 706. Ethical restrictions on participation in certain**
4 **contracting activity**

5 “(a) DEFINITIONS.—In this section—

6 “(1) the term ‘covered employee’ means—

7 “(A) a contracting officer; or

8 “(B) any employee of a covered postal enti-
9 ty whose decisionmaking affects a postal contract
10 as determined by regulations prescribed by the
11 head of a covered postal entity;

12 “(2) the term ‘covered relationship’ means a cov-
13 ered relationship described in section 2635.502(b)(1)
14 of title 5, Code of Federal Regulations, or any suc-
15 cessor thereto; and

16 “(3) the term ‘final conviction’ means a convic-
17 tion, whether entered on a verdict or plea, including
18 a plea of nolo contendere, for which a sentence has
19 been imposed.

20 “(b) IN GENERAL.—

21 “(1) REGULATIONS.—The head of each covered
22 postal entity shall prescribe regulations that—

23 “(A) require a covered employee to include
24 in the file of any noncompetitive purchase re-

1 *quest for a noncompetitive postal contract a*
2 *written certification that—*

3 “(i) *discloses any covered relationship*
4 *of the covered employee; and*

5 “(ii) *the covered employee will not take*
6 *any action with respect to the noncompeti-*
7 *tive purchase request that affects the finan-*
8 *cial interests of a friend, relative, or person*
9 *with whom the covered employee is affili-*
10 *ated in a nongovernmental capacity, or oth-*
11 *erwise gives rise to an appearance of the use*
12 *of public office for private gain, as described*
13 *in section 2635.702 of title 5, Code of Fed-*
14 *eral Regulations, or any successor thereto;*

15 “(B) *require a contracting officer to consult*
16 *with the ethics counsel for the covered postal en-*
17 *tity regarding any disclosure made by a covered*
18 *employee under subparagraph (A)(i), to deter-*
19 *mine whether participation by the covered em-*
20 *ployee in the noncompetitive purchase request*
21 *would give rise to a violation of part 2635 of*
22 *title 5, Code of Federal Regulations (commonly*
23 *referred to as the ‘Standards of Ethical Conduct*
24 *for Employees of the Executive Branch’);*

1 “(C) require the ethics counsel for a covered
2 postal entity to review any disclosure made by
3 a contracting officer under subparagraph (A)(i)
4 to determine whether participation by the con-
5 tracting officer in the noncompetitive purchase
6 request would give rise to a violation of part
7 2635 of title 5, Code of Federal Regulations
8 (commonly referred to as the ‘Standards of Eth-
9 ical Conduct for Employees of the Executive
10 Branch’), or any successor thereto;

11 “(D) under subsections (d) and (e) of sec-
12 tion 2635.50 of title 5, Code of Federal Regula-
13 tions, or any successor thereto, require the ethics
14 counsel for a covered postal entity to—

15 “(i) authorize a covered employee that
16 makes a disclosure under subparagraph
17 (A)(i) to participate in the noncompetitive
18 postal contract; or

19 “(ii) disqualify a covered employee
20 that makes a disclosure under subparagraph
21 (A)(i) from participating in the non-
22 competitive postal contract;

23 “(E) require a contractor to timely disclose
24 to the contracting officer in a bid, solicitation,

1 award, or performance of a postal contract any
2 conflict of interest with a covered employee; and

3 “(F) include authority for the head of the
4 covered postal entity to a grant a waiver or oth-
5 erwise mitigate any organizational or personal
6 conflict of interest, if the head of the covered
7 postal entity determines that the waiver or miti-
8 gation is in the best interests of the Postal Serv-
9 ice.

10 “(2) *POSTING OF WAIVERS.*—Not later than 30
11 days after the head of a covered postal entity grants
12 a waiver described in paragraph (1)(F), the head of
13 the covered postal entity shall make the waiver pub-
14 licly available on the website of the covered postal en-
15 tity.

16 “(c) *CONTRACT VOIDANCE AND RECOVERY.*—

17 “(1) *UNLAWFUL CONDUCT.*—In any case in
18 which there is a final conviction for a violation of
19 any provision of chapter 11 of title 18 relating to a
20 postal contract, the head of a covered postal entity
21 may—

22 “(A) void that contract; and

23 “(B) recover the amounts expended and
24 property transferred by the covered postal entity
25 under that contract.

1 “(2) *OBTAINING OR DISCLOSING PROCUREMENT*
2 *INFORMATION.*—

3 “(A) *IN GENERAL.*—*In any case where a*
4 *contractor under a postal contract fails to timely*
5 *disclose a conflict of interest to the appropriate*
6 *contracting officer as required under the regula-*
7 *tions promulgated under subsection (b)(1)(D),*
8 *the head of a covered postal entity may—*

9 “(i) *void that contract; and*

10 “(ii) *recover the amounts expended and*
11 *property transferred by the covered postal*
12 *entity under that contract.*

13 “(B) *CONVICTION OR ADMINISTRATIVE DE-*
14 *TERMINATION.*—*A case described under subpara-*
15 *graph (A) is any case in which—*

16 “(i) *there is a final conviction for an*
17 *offense punishable under section 27(e) of the*
18 *Office of Federal Procurement Policy Act*
19 *(41 U.S.C. 423(e)); or*

20 “(ii) *the head of a covered postal entity*
21 *determines, based upon a preponderance of*
22 *the evidence, that the contractor or someone*
23 *acting for the contractor has engaged in*
24 *conduct constituting an offense punishable*
25 *under section 27(e) of that Act.*

1 **“§ 707. Congressional oversight authority**

2 *“The Postal Service may not enter into any contract*
 3 *that restricts the ability of Congress to exercise oversight*
 4 *authority.”.*

5 **(b) TECHNICAL AND CONFORMING AMENDMENT.**—*The*
 6 *table of chapters for part I of title 39, United States Code,*
 7 *is amended by adding at the end the following:*

“7. Contracting Provisions 701”.

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112TH CONGRESS
2^D Session

S. 1789

A BILL

To improve, sustain, and transform the United States Postal Service.

JANUARY 26, 2012

Reported with an amendment