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[Report No. 113–237]

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

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2013

Mr. CARPER (for himself and Mr. COBURN) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

JULY 31, 2014

Reported by Mr. CARPER, 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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

~~**SECTION 1. SHORT TITLE.**~~

~~This Act may be cited as the "Postal Reform Act of 2013".~~

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 SERVICE WORKFORCE~~

~~Sec. 101. Annual Federal Employee Retirement System and Civil Service Retirement System Assessments.~~
~~Sec. 102. Postal service authority to negotiate retirement benefit terms for new employees.~~
~~Sec. 103. Restructuring of payments for retiree health benefits.~~
~~Sec. 104. Postal service health benefits plan.~~
~~Sec. 105. Medicare coordination efforts for postal service employees and retirees.~~
~~Sec. 106. Labor disputes.~~

~~TITLE II—POSTAL SERVICE OPERATIONS~~

~~Sec. 201. Maintenance of delivery service standards.~~
~~Sec. 202. Preserving mail processing capacity.~~
~~Sec. 203. Preserving community post offices.~~
~~Sec. 204. Changes to mail delivery schedule.~~
~~Sec. 205. Delivery point modernization.~~
~~Sec. 206. Postal services for market-dominant products.~~

~~TITLE III—POSTAL SERVICE REVENUE~~

~~Sec. 301. Postal rates.~~
~~Sec. 302. Nonpostal services.~~
~~Sec. 303. Shipping of wine, beer, and distilled spirits.~~

~~TITLE IV—POSTAL SERVICE GOVERNANCE~~

~~Sec. 401. Board of Governors of the Postal Service.~~
~~Sec. 402. Strategic Advisory Commission on Postal Service Solvency and Innovation.~~
~~Sec. 403. Long-term solvency plan; annual financial plan and budget.~~
~~Sec. 404. Chief Innovation Officer; innovation strategy.~~
~~Sec. 405. Area and district office structure.~~
~~Sec. 406. Inspector General of the Postal Service.~~

~~TITLE V—FEDERAL EMPLOYEES' COMPENSATION ACT~~

~~Sec. 501. Short title; references.~~
~~Sec. 502. Federal workers compensation reforms for retirement-age employees.~~
~~Sec. 503. Augmented compensation for dependents.~~
~~Sec. 504. Schedule compensation payments.~~
~~Sec. 505. Vocational rehabilitation.~~
~~Sec. 506. Reporting requirements.~~
~~Sec. 507. Disability management review; independent medical examinations.~~
~~Sec. 508. Waiting period.~~
~~Sec. 509. Election of benefits.~~
~~Sec. 510. Sanction for noncooperation with field nurses.~~

~~Sec. 511. Subrogation of continuation of pay.~~
~~Sec. 512. Integrity and compliance.~~
~~Sec. 513. Amount of compensation.~~
~~Sec. 514. Terrorism injuries; zones of armed conflict.~~
~~Sec. 515. Technical and conforming amendments.~~
~~Sec. 516. Regulations.~~
~~Sec. 517. Effective date.~~

~~TITLE VI—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF REAL PROPERTY~~

~~Sec. 601. Short title.~~
~~Sec. 602. Purpose.~~
~~Sec. 603. Property management and expedited disposal of real property.~~
~~Sec. 604. Report of the Comptroller General.~~
~~Sec. 605. Technical and conforming amendment.~~

~~SEC. 3. DEFINITIONS.~~

~~In this Act, the following definitions shall apply:~~

~~(1) COMMISSION.—The term "Commission" means the Postal Regulatory Commission.~~

~~(2) POSTAL SERVICE.—The term "Postal Service" means the United States Postal Service.~~

~~TITLE I—POSTAL SERVICE WORKFORCE~~

~~SEC. 101. ANNUAL FEDERAL EMPLOYEE RETIREMENT SYSTEM AND CIVIL SERVICE RETIREMENT SYSTEM ASSESSMENTS.~~

~~(a) USE OF POSTAL-SPECIFIC ASSUMPTIONS IN NORMAL COST CALCULATION.—~~

~~(1) IN GENERAL.—Section 8423(a) of title 5, United States Code, is amended—~~

~~(A) in paragraph (1)—~~

~~(i) in subparagraph (A)—~~

~~(I) in clause (i), by inserting "or (C)" after "subparagraph (B)"; and~~

~~(II) in clause (ii), by striking "and";~~

~~(ii) in subparagraph (B)(ii), by striking the period at the end and inserting "; and"; and~~

~~(iii) by adding at the end the following:~~

~~"(C) the product of—~~

~~"(i) the normal-cost percentage, as determined for employees of the United States Postal Service under paragraph (5), multiplied by~~

~~"(ii) the aggregate amount of basic pay payable by the United States Postal Service, for the period involved, to employees of the United States Postal Service."; and~~

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

~~"(5)(A) In determining the normal-cost percentage for employees of the United States Postal Service, the Office shall use—~~

~~"(i) demographic factors specific to the employees; and~~

~~"(ii) economic assumptions regarding wage and salary growth that reflect the specific past, and likely future, pay for the employees.~~

~~"(B) The United States Postal Service shall provide any data or projections the Office requires in order to determine the normal-cost percentage for employees of the United States Postal Service consistent with subparagraph (A).~~

~~"(C) The Office shall review the determination of the normal-cost percentage for employees of the United States Postal Service and make such adjustments as are necessary—~~

~~"(i) upon request of the United States Postal Service, but no more frequently than once each fiscal year; and~~

~~"(ii) at any additional times, as the Office considers appropriate.".~~

~~(2) INITIAL DETERMINATION.—Not later than 90 days after the date of enactment of this Act, the Office shall determine the normal-cost percentage for employees of the United States Postal Service in accordance with the requirements under section 8423(a)(5) of title 5, United States Code, as added by paragraph (1).~~

~~(b) POSTAL FUNDING SURPLUS OR LIABILITY.—~~

~~(1) TREATMENT OF POSTAL FUNDING SURPLUS.—Section 8423(b) of title 5, United States Code, is amended—~~

~~(A) by redesignating paragraph (5) as paragraph (6); and~~

~~(B) by inserting after paragraph (4) the following:~~

~~"(5)(A) In this paragraph, the term 'postal funding surplus' means the amount by which the amount of supplemental liability computed under paragraph (1)(B) is less than zero.~~

~~"(B)(i) After the date on which the Office determines or redetermines under paragraph (7)(C) the amount of supplemental liability computed under paragraph (1)(B) as of the close of the fiscal year ending on September 30, 2013, and if such amount is less than zero, the Postmaster General may request that some or all of the amount of the postal funding surplus be returned to the Postal Service, and not later than 10 days after the request, the Director shall transfer to the United States Postal Service from the Fund an amount equal to the portion of the postal funding surplus requested for use in accordance with this subparagraph.~~

~~"(ii) Of the amount transferred under clause (i), not more than $6,000,000,000 may be used by the United States Postal Service for the purposes of repaying any obligation issued under section 2005(a) of title 39.~~

~~"(C) If the amount of supplemental liability computed under paragraph (1)(B) as of the close of any fiscal year commencing after September 30, 2013, is less than zero, the Office shall establish an amortization schedule, including a series of annual installments, to be transferred to the United States Postal Service from the Fund, commencing on September 30 of the subsequent fiscal year, which provides for the liquidation of the postal funding surplus by September 30, 2054.".~~

~~(2) SUPPLEMENTAL LIABILITY CALCULATION.—~~

~~(A) FERS.—Section 8423(b) of title 5, United States Code, as amended by paragraph (1) of this subsection, is amended—~~

~~(i) in paragraph (6), as so redesignated, in the matter preceding subparagraph (A), by striking "For the purpose" and inserting "Subject to paragraph (7), for the purpose"; and~~

~~(ii) by adding at the end the following:~~

~~"(7)(A) For the purpose of carrying out paragraph (1)(B) with respect to the fiscal year ending September 30, 2013, and each fiscal year thereafter, the Office shall, consistent with subsection (a)(5), use—~~

~~"(i) demographic factors specific to current and former employees of the United States Postal Service; and~~

~~"(ii) economic assumptions regarding wage and salary growth that reflect the specific past and likely future pay for current employees of the United States Postal Service.~~

~~"(B) The United States Postal Service shall provide any data or projections the Office requires in order to carry out paragraph (1)(B) consistent with subparagraph (A) of this paragraph.~~

~~"(C) Not later than June 14, 2014, the Office shall determine or redetermine whether there is a postal funding surplus (as defined in paragraph (5)) or a supplemental liability described in paragraph (1)(B) (and the amount thereof) as of the close of the fiscal year ending on September 30, 2013, in ac-~~

~~cordance with the requirements under subparagraph (A) of this paragraph.''.~~

~~(B) CSRS.—Section 8348(h) of title 5, United States Code, is amended—~~

~~(i) in paragraph (2), by striking subparagraph (B) and inserting the following:~~

~~''(B)(i)(I) Not later than June 14, 2014, the Office shall redetermine the Postal surplus or supplemental liability as of the close of the fiscal year ending on September 30, 2013, in accordance with the requirements under paragraph (4).~~

~~''(II) If the result of the redetermination under subclause (I) is a surplus, that amount shall remain in the Fund until distribution is authorized under subparagraph (C).~~

~~''(III) If the result of the redetermination under subclause (I) is a supplemental liability, the Office shall establish an amortization schedule, including a series of annual installments commencing on September 30, 2015, which provides for the liquidation of such liability by September 30, 2054.~~

~~''(ii)(I) The Office shall redetermine the Postal surplus or supplemental liability as of the close of each fiscal year beginning after September 30, 2013, in accordance with the requirements under paragraph (4).~~

~~"(II) If the result of the redetermination under subclause (I) is a surplus, that amount shall remain in the Fund until distribution is authorized under subparagraph (C).~~

~~"(III) On and after June 15, 2015, if the result of the redetermination under subclause (I) is a supplemental liability, the Office shall establish an amortization schedule, including a series of annual installments commencing on September 30 of the subsequent fiscal year, which provides for the liquidation of such liability by September 30, 2054."; and~~

~~(ii) by adding at the end the following:~~

~~"(4)(A) For the purpose of carrying out paragraphs (1) and (2), the Office shall, consistent with section 8423(a)(5), use—~~

~~"(i) demographic factors specific to current and former employees of the United States Postal Service; and~~

~~"(ii) economic assumptions regarding wage and salary growth that reflect the specific past and likely future pay for current employees of the United States Postal Service.~~

~~"(B) The United States Postal Service shall provide any data or projections the Office requires~~

~~in order to carry out paragraphs (1) and (2) consistent with subparagraph (A) of this paragraph.''.~~

~~SEC. 102. POSTAL SERVICE AUTHORITY TO NEGOTIATE RETIREMENT BENEFIT TERMS FOR NEW EMPLOYEES.~~

~~(a) AUTHORITY TO NEGOTIATE RETIREMENT BENEFIT TERMS.—~~

~~(1) COLLECTIVE BARGAINING OVER CERTAIN RETIREMENT BENEFITS.—Section 1005 of title 39, United States Code, is amended by adding at the end the following:~~

~~''(g)(1) In this subsection—~~

~~''(A) the term 'collective bargaining agreement' means a collective bargaining agreement between the Postal Service and a bargaining representative recognized under section 1203 entered into after the date of enactment of the Postal Reform Act of 2013;~~

~~''(B) the term 'new employee' means an individual who becomes an officer or employee of the Postal Service after the date of enactment of the Postal Reform Act of 2013;~~

~~''(C) the term 'not covered under the FERS defined benefit plan', with respect to an officer or employee of the Postal Service, means that service by the officer or employee of the Postal Service as an~~

~~officer or employee of the Postal Service shall not be creditable service for purposes of chapter 84 of title 5.~~

~~"(2)(A) A collective bargaining agreement may provide, notwithstanding chapter 84 of title 5, that some or all new employees covered under the collective bargaining agreement shall be not covered under the FERS defined benefit plan.~~

~~"(B) If a new employee is not covered under the FERS defined benefit plan pursuant to a collective bargaining agreement, any subsequent service by the new employee as an officer or employee of the Postal Service shall be not covered under the FERS defined benefit plan.~~

~~"(C) Subject to the requirements under this subsection, a collective bargaining agreement may include one or more additional retirement benefit plans for the benefit of some or all new employees covered under the collective bargaining agreement.~~

~~"(3)(A) A collective bargaining agreement may establish, with respect to some or all new employees covered under the collective bargaining agreement—~~

~~"(i) without regard to section 8422 of title 5, and subject to subparagraph (C) of this paragraph and paragraph (2)(B), the amounts to be deducted and withheld from the pay of the new employees for~~

~~deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund;~~

~~"(ii) without regard to section 8432 of title 5, whether the Postal Service shall make contributions to the Thrift Savings Fund for the benefit of the new employees, and, if the Postal Service shall make such contributions, the amounts that the Postal Service shall contribute; and~~

~~"(iii) for any retirement benefit plan established under the bargaining agreement, the amounts to be deducted and withheld from the pay of the new employees under the retirement benefit plan for the benefit of the new employees.~~

~~"(B) Except as provided in paragraph (2)(B), a collective bargaining agreement may establish the amounts described in subparagraph (A)(i) with respect to some or all new employees who were covered under a previous collective bargaining agreement.~~

~~"(C) The Postal Service shall, under section 8422(c) of title 5, deposit in the Treasury to the credit of the Civil Service Retirement and Disability Fund the amount that the Postal Service would have deducted and withheld from the basic pay of each officer and employee of the Postal Service, except an officer or employee who is not covered~~

~~under the FERS defined benefit plan, without regard to subparagraph (A)(i) or any agreement regarding amounts to be deducted and withheld under subparagraph (A)(i).~~

~~"(4) If any new employee is not covered under the FERS defined benefit plan pursuant to a collective bargaining agreement, any member of the Postal Career Executive Service shall be not covered under the FERS defined benefit plan on and after the effective date of the collective bargaining agreement.~~

~~"(5) Except as provided in paragraph (3)(A), nothing in this subsection or in a provision of a collective bargaining agreement entered under this subsection shall affect the coverage of an officer or employee of the Postal Service under subchapter III of chapter 84 of the United States Code (relating to the Thrift Savings Plan).".~~

~~(2) APPLICABILITY OF LAWS RELATING TO FEDERAL EMPLOYEES.—Section 1005 of title 39, United States Code, is amended—~~

~~(A) in subsection (d)(1), by striking "Officers" and inserting "Except as provided in subsection (g), officers"; and~~

~~(B) in subsection (f), in the second sentence—~~

~~(i) by inserting "84," before "87,"; and~~

(ii) by striking "this subsection." and inserting "this subsection or subsection (g).".

(b) SPECIAL RULES RELATING TO FERS COVERAGE FOR COVERED POSTAL EMPLOYEES.—

(1) IN GENERAL.—Subchapter II of chapter 84 of title 5, United States Code, is amended by adding at the end the following:

"§ 8426. Postal Service retirement

"The application of sections 8422 and 8423 of this title and subchapters III and VII of this chapter with respect to an officer or employee of the Postal Service may be modified as provided under section 1005(g) of title 39.".

(2) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for chapter 84 of title 5, United States Code, is amended by adding at the end the following:

"8426. Postal Service retirement.".

SEC. 103. RESTRUCTURING OF PAYMENTS FOR RETIREE HEALTH BENEFITS.

(a) CONTRIBUTIONS.—Section 8906(g)(2)(A) of title 5, United States Code, is amended by striking "through September 30, 2016, be paid by the United States Postal Service, and thereafter shall" and inserting "after the date of enactment of the Postal Reform Act of 2013".

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

~~(1) in subsection (d)—~~

~~(A) by striking paragraph (2) and inserting the following:~~

~~"(2)(A) Not later than June 30, 2016, the Office shall compute, and by June 30 of each succeeding year, the Office shall recompute, a schedule including a series of annual installments which provide for the liquidation of the amount described under subparagraph (B) (regardless of whether the amount is a liability or surplus) by September 30, 2052, or within 15 years, whichever is later, including interest at the rate used in the computations under this subsection.~~

~~"(B) The amount described in this subparagraph is the amount, as of the date on which the applicable computation or recomputation under subparagraph (A) is made, that is equal to the difference between—~~

~~"(i) 80 percent of the Postal Service actuarial liability as of September 30 of the most recently ended fiscal year; and~~

~~"(ii) the value of the assets of the Postal Retiree Health Benefits Fund as of September 30 of the most recently ended fiscal year.";~~

~~(B) in paragraph (3)—~~

~~(i) in subparagraph (A)—~~

~~(I) in clause (iii), by adding "and" at the end;~~

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

~~(III) by striking clauses (v) through (x); and~~

~~(ii) in subparagraph (B), by striking "2017" and inserting "2016";~~

~~(C) by amending paragraph (4) to read as follows:~~

~~"(4) Computations under this subsection shall be based on—~~

~~"(A) economic and actuarial methods and assumptions consistent with the methods and assumptions used in determining the Postal surplus or supplemental liability under section 8348(h); and~~

~~"(B) any other methods and assumptions, including a health care cost trend rate, that the Director of the Office determines to be appropriate."; and~~

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

~~"(7) In this subsection, the term 'Postal Service actuarial liability' means the difference between—~~

~~"(A) the net present value of future payments required under section 8906(g)(2)(A) for current and future United States Postal Service annuitants; and~~

~~"(B) the net present value as computed under paragraph (1) attributable to the future service of United States Postal Service employees."; and~~

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

~~"(e) Subsections (a) through (d) of this section shall be subject to section 104 of the Postal Reform Act of 2013.".~~

~~(c) CANCELLATION OF CERTAIN UNPAID OBLIGATIONS OF THE POSTAL SERVICE.—Any obligation of the Postal Service under section 8909a(d)(3)(A) of title 5, United States Code, as in effect on the day before the date of enactment of this Act, that remains unpaid as of such date of enactment is cancelled.~~

~~(d) TECHNICAL AND CONFORMING AMENDMENT.—The heading of section 8909a of title 5, United States Code, is amended by striking "Benefit" and inserting "Benefits".~~

1 **~~SEC. 104. POSTAL SERVICE HEALTH BENEFITS PLAN.~~**

2 ~~(a) DEFINITIONS.—In this section—~~

3 ~~(1) the term "bargaining representative" means~~
4 ~~a bargaining representative recognized under section~~
5 ~~1203 of title 39, United States Code;~~

6 ~~(2) the term "covered employee" means an offi-~~
7 ~~cer or employee of the Postal Service who is—~~

8 ~~(A) represented by a bargaining represent-~~
9 ~~ative; or~~

10 ~~(B) a member of the Postal Career Execu-~~
11 ~~tive Service;~~

12 ~~(3) the term "Federal Employee Health Bene-~~
13 ~~fits Program" means the health benefits program~~
14 ~~under chapter 89 of title 5, United States Code;~~

15 ~~(4) the term "participant" means—~~

16 ~~(A) a covered employee who is—~~

17 ~~(i) represented by a bargaining rep-~~
18 ~~resentative that enters into an agreement~~
19 ~~to establish a Postal Service Health Bene-~~
20 ~~fits Plan; or~~

21 ~~(ii) if any bargaining representative~~
22 ~~enters into an agreement to establish a~~
23 ~~Postal Service Health Benefits Plan, a~~
24 ~~member of the Postal Career Executive~~
25 ~~Service; and~~

~~(B) an officer or employee of the Postal Service who—~~

~~(i) is not a covered employee; and~~

~~(ii) elects to participate in the Postal Service Health Benefits Plan; and~~

~~(5) the term "Postal Service Health Benefits Plan" means the health benefits plan that may be agreed to under subsection (b)(1).~~

~~(b) COLLECTIVE BARGAINING.—~~

~~(1) IN GENERAL.—Consistent with section 1005(f) of title 39, United States Code, the Postal Service may negotiate individually or jointly with bargaining representatives and enter into a collective bargaining agreement or agreements with 1 or more of those bargaining representatives to establish a single Postal Service Health Benefits Plan that—~~

~~(A) satisfies the conditions under subsection (c); and~~

~~(B) may be a health benefits plan offered under chapter 89 of title 5, United States Code.~~

~~(2) CONSULTATION WITH OPM.—The Postal Service and bargaining representatives shall conduct negotiations under paragraph (1) in consultation with the Director of the Office of Personnel Management.~~

~~(3) CONSULTATION WITH SUPERVISORY AND MANAGERIAL PERSONNEL.—In the course of negotiations under paragraph (1), the Postal Service shall consult with each of the organizations of supervisory and other managerial personnel that are recognized under section 1004 of title 39, United States Code, concerning the views of the personnel represented by each of those organizations.~~

~~(4) DISPUTES.—If the Postal Service or a bargaining representative offers a proposed agreement for negotiation under paragraph (1) and the parties do not reach agreement within 180 days after the commencement of collective bargaining on the proposal, the procedures under section 1207(d) of title 39, United States Code, shall apply upon the election of any party to the negotiations.~~

~~(5) TIME LIMITATION.—The authority under this subsection shall extend until the date that is 2 years after the date of enactment of this Act.~~

~~(c) POSTAL SERVICE HEALTH BENEFITS PLAN.—The Postal Service Health Benefits Plan—~~

~~(1) shall—~~

~~(A) be available for participation by—~~

~~(i) all covered employees represented by a bargaining representative entering an~~

~~agreement described in subsection (b)(1); and~~

~~(ii) all covered employees who are members of the Postal Career Executive Service;~~

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

~~(C) provide coverage that is actuarially equivalent to the coverage offered under the types of plans available under the Federal Employee Health Benefits Program, as determined by the Director of the Office of Personnel Management;~~

~~(D) be administered in a manner determined in an agreement or agreements reached under subsection (b);~~

~~(E) unless the Postal Service Health Benefits Plan is a health benefits plan offered under chapter 89 of title 5, United States Code, provide for transition of coverage under the Federal Employee Health Benefits Program of all participants in the Postal Service Health Bene-~~

~~fits Plan to coverage under the Postal Service Health Benefits Plan; and~~

~~(F) if the Postal Service Health Benefits Plan is a health benefits plan offered under chapter 89 of title 5, United States Code, and except as provided in section 8903c of title 5, United States Code, as added by section 105 of this Act, provide that the Postal Service Health Benefits Plan is the only health benefits plan under the Federal Employee Health Benefits Program in which a participant in the Postal Service Health Benefits Plan may participate as an employee;~~

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

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

~~(d) AGREEMENT AND IMPLEMENTATION.—If an agreement or agreements are reached under subsection (b) to provide a Postal Service Health Benefits Plan—~~

~~(1) the Postal Service shall implement the Postal Service Health Benefits Plan;~~

~~(2) the Postal Service Health Benefits Plan shall constitute an agreement between the collective bargaining representatives and the Postal Service for purposes of section 1005(f) of title 39, United States Code; and~~

~~(3) unless the Postal Service Health Benefits Plan is a health benefits plan offered under chapter 89 of title 5, United States Code, participants in the Postal Service Health Benefits Plan may not participate as employees in the Federal Employees Health Benefits Program.~~

~~(e) GOVERNMENTAL PLAN.—The Postal Service Health Benefits Plan shall be a governmental plan as that term is defined under section 3(32) of Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(32)).~~

~~(f) REPORT.—Not later than 6 months after the earlier of the date on which any agreement is reached under subsection (b) and June 30, 2016, the Postal Service shall submit a report to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives that—~~

~~(1) reports on the implementation of this section; and~~

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

~~SEC. 105. MEDICARE COORDINATION EFFORTS FOR POSTAL SERVICE EMPLOYEES AND RETIREES.~~

~~(a) ADDITIONAL ENROLLMENT OPTIONS UNDER FEDERAL EMPLOYEES HEALTH BENEFITS PLANS.—Chapter 89 of title 5, United States Code, is amended by inserting after section 8903b the following:~~

~~"§ 8903c. Coordination with Medicare for Postal Service employees and annuitants~~

~~"(a) DEFINITIONS.—In this section—~~

~~"(1) the term 'contract year' means a calendar year in which health benefits plans are administered under this chapter;~~

~~"(2) the term 'Medicare part A' means the Medicare program for hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.);~~

~~"(3) the term 'Medicare part B' means the Medicare program for supplementary medical insurance benefits under part B of title XVIII of the Social Security Act (42 U.S.C. 1395j et seq.); and~~

~~"(4) the term 'Postal Service employee or annuitant' means an individual who is—~~

~~"(A) an employee of the Postal Service covered under this chapter; or~~

~~"(B) an annuitant covered under this chapter whose Government contribution is paid~~

~~by the Postal Service or the Postal Service Retiree Health Benefits Fund under section 8906(g)(2).~~

~~"(b) ENROLLMENT OPTIONS.—~~

~~"(1) ESTABLISHMENT.—~~

~~"(A) IN GENERAL.—For contract years beginning on or after January 1, 2015, the Office shall establish enrollment options for health benefits plans that are open only to Postal Service employees and annuitants, and family members of a Postal Service employee or annuitant, who are enrolled in Medicare part A and Medicare part B.~~

~~"(B) ADDITIONAL PLANS.—The enrollment options established under this subsection shall be in addition to any other health benefit plan or enrollment option otherwise available to Postal Service employees or annuitants under this chapter and shall not affect the eligibility of a Postal Service employee or annuitant for any another health benefit plan or enrollment option under this chapter.~~

~~"(2) ENROLLMENT ELIGIBILITY.—~~

~~"(A) IN GENERAL.—Any Postal Service employee or annuitant, or family member of a~~

~~Postal Service employee or annuitant, who is enrolled in Medicare part A and Medicare part B may enroll in 1 of the enrollment options established under paragraph (1).~~

~~"(B) DETERMINATION OF ELIGIBILITY.—Eligibility to enroll in an enrollment option established under paragraph (1) shall be determined without regard to the requirements under section 8905(b).~~

~~"(3) VALUE OF COVERAGE.—The Office shall ensure that the aggregate actuarial value of coverage under the enrollment options established under this subsection, in combination with the value of coverage under Medicare part A and Medicare part B, shall be not less than the actuarial value of the most closely corresponding enrollment options for each plan available under section 8905, in combination with the value of coverage under Medicare part A and Medicare part B.~~

~~"(4) ENROLLMENT OPTIONS.—~~

~~"(A) IN GENERAL.—The enrollment options established under paragraph (1) shall include—~~

1 ~~"(i) an individual option, for Postal~~
2 ~~Service employees or annuitants enrolled in~~
3 ~~Medicare part A and Medicare part B;~~
4 ~~"(ii) a self and family option, for~~
5 ~~Postal Service employees or annuitants~~
6 ~~and family members who are each enrolled~~
7 ~~in Medicare part A and Medicare part B;~~
8 ~~and~~
9 ~~"(iii) a self and family option, for~~
10 ~~Postal Service employees or annuitants—~~
11 ~~"(I) who are enrolled in Medicare~~
12 ~~part A and Medicare part B; and~~
13 ~~"(II) the family members of~~
14 ~~whom are not enrolled in Medicare~~
15 ~~part A or Medicare part B.~~
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 risk pool for indi-~~
2 ~~viduals eligible for coverage under any of those~~
3 ~~options; 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 employees or annuitants, or~~
12 ~~family members of Postal Service employ-~~
13 ~~ees or annuitants, who are enrolled in~~
14 ~~Medicare part A and Medicare part B; 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 employee or annuitant;~~
20 ~~and~~
21 ~~"(II) the Government contribu-~~
22 ~~tions paid by the Postal Service or~~
23 ~~other employer.~~

1 ~~"(c) POSTAL SERVICE CONSULTATION.—The Office~~
2 ~~shall establish the enrollment options and premiums under~~
3 ~~this section in consultation with the Postal Service.".~~
4 ~~(b) TECHNICAL AND CONFORMING AMENDMENTS.—~~
5 ~~The table of sections for chapter 89 of title 5, United~~
6 ~~States Code, is amended by inserting after the item relat-~~
7 ~~ing to section 8903b the following:~~

~~"8903c. Coordination with Medicare for Postal Service employees and annuitants.".~~

8 ~~(c) EFFECTIVE DATE.—The amendments made by~~
9 ~~subsection (a) shall apply with respect to contract years~~
10 ~~beginning on or after January 1, 2015.~~
11 ~~(d) SPECIAL ENROLLMENT PERIOD FOR POSTAL~~
12 ~~SERVICE EMPLOYEES AND ANNUITANTS.—~~
13 ~~(1) SPECIAL ENROLLMENT PERIOD.—Section~~
14 ~~1837 of the Social Security Act (42 U.S.C. 1395p)~~
15 ~~is amended by adding at the end the following new~~
16 ~~subsection:~~
17 ~~"(m)(1) In the case of any individual who, as of the~~
18 ~~date of enactment of the Postal Reform Act of 2013, is~~
19 ~~a Postal Service employee or annuitant (as defined in sec-~~
20 ~~tion 8903c(a) of title 5, United States Code) at the time~~
21 ~~the individual is entitled to part A under section 226 or~~
22 ~~section 226A and who is eligible to enroll but who has~~
23 ~~elected not to enroll (or to be deemed enrolled) during the~~

individual's initial enrollment period, there shall be a special enrollment period described in paragraph (2).

"(2) The special enrollment period described in this paragraph, with respect to an individual, is the 1-year period beginning on July 1, 2014.

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

(2) WAIVER OF INCREASE OF PREMIUM.—Section 1839(b) of the Social Security Act (42 U.S.C. 1395r(b)) is amended by striking "(i)(4) or (l)" and inserting "(i)(4), (l), or (m)".

SEC. 106. LABOR DISPUTES.

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

(1) in paragraph (2)—

(A) by inserting "(A)" after "(2)";

(B) by striking the last sentence and inserting "The arbitration board shall render a decision not later than 45 days after the date of its appointment."; and

(C) by adding at the end the following:

"(B) In rendering a decision under this paragraph, the arbitration board shall consider

~~such relevant factors as the financial condition of the Postal Service.''; and~~

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

~~''(4) Nothing in this section may be construed to limit the relevant factors that the arbitration board may take into consideration in rendering a decision under paragraph (2).''.~~

~~TITLE II—POSTAL SERVICE OPERATIONS~~

~~SEC. 201. MAINTENANCE OF DELIVERY SERVICE STANDARDS.~~

~~During the 2-year period beginning on the date of enactment of this Act, the Postal Service shall maintain the service standards for first-class mail and periodicals under part 121 of title 39, Code of Federal Regulations, as in effect on the date of enactment of this Act.~~

~~SEC. 202. PRESERVING MAIL PROCESSING CAPACITY.~~

~~(a) DEFINITION OF POSTAL FACILITY.—In this section, the term ''postal facility'' means a processing and distribution center, processing and distribution facility, network distribution center, or other facility that is operated by the Postal Service, the primary function of which is to sort and process mail.~~

~~(b) MORATORIUM ON CLOSURES OF POSTAL FACILITIES.—During the 2-year period beginning on the date of~~

~~enactment of this Act, the Postal Service may not close or consolidate any postal facility that is open as of the date of enactment of this Act.~~

~~SEC. 203. PRESERVING COMMUNITY POST OFFICES.~~

~~Section 404(d) of title 39, United States Code, is amended—~~

~~(1) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively;~~

~~(2) by striking paragraphs (1) through (4) and inserting the following:~~

~~"(d)(1) In this subsection, the term 'post office' means a post office, post office branch, post office classified station, or other facility that is operated by the Postal Service, the primary function of which is to provide retail postal services.~~

~~"(2) The Postal Service, prior to making a determination under subsection (a)(3) of this section as to the necessity for the discontinuance of any post office, shall, to the extent practicable and appropriate—~~

~~"(A) consider whether—~~

~~"(i) to discontinue the post office and another post office located within a reasonable distance;~~

~~"(ii) instead of discontinuing the post office—~~

1 ~~"(I) to reduce the number of hours a~~
2 ~~day that the post office operates; or~~
3 ~~"(II) to continue operating the post~~
4 ~~office for the same number of hours a day;~~
5 ~~"(iii) to procure a contract providing full,~~
6 ~~or less than full, retail services in the commu-~~
7 ~~nity served by the post office; or~~
8 ~~"(iv) to provide postal services to the com-~~
9 ~~munity served by the post office—~~
10 ~~"(I) through a letter carrier; or~~
11 ~~"(II) by co-locating postal services at~~
12 ~~a commercial or government entity;~~
13 ~~"(B) provide postal customers served by the~~
14 ~~post office an opportunity to present their views,~~
15 ~~which may be by nonbinding survey conducted by~~
16 ~~mail; and~~
17 ~~"(C) if the Postal Service determines to dis-~~
18 ~~continue the post office, provide adequate public no-~~
19 ~~tice of its intention to discontinue such post office~~
20 ~~at least 60 days prior to the proposed date of such~~
21 ~~discontinuance to persons served by such post office.~~
22 ~~"(3) The Postal Service, in making a determination~~
23 ~~whether or not to discontinue a post office—~~
24 ~~"(A) shall consider, to the extent practicable~~
25 ~~and appropriate—~~

~~"(i) the effect of the discontinuance on the community served by such post office;~~

~~"(ii) the effect of the discontinuance on businesses, including small businesses, in the area;~~

~~"(iii) the effect of such discontinuance on employees of the Postal Service employed at such office;~~

~~"(iv) whether such discontinuance is consistent with the policy of the Government, as stated in section 101(b) of this title, that the Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining;~~

~~"(v) the extent to which the community served by the post office lacks access to Internet phone service;~~

~~"(vi) the extent to which postal customers served by the post office would continue after the discontinuance to receive substantially similar access to essential items and time-sensitive communications;~~

~~"(vii) the proximity and accessibility of other post offices;~~

1 ~~"(viii) whether substantial economic sav-~~
2 ~~ings to the Postal Service would result from~~
3 ~~such discontinuance; and~~
4 ~~"(ix) such other factors as the Postal Serv-~~
5 ~~ice determines are necessary; and~~
6 ~~"(B) may not consider compliance with any~~
7 ~~provision of the Occupational Safety and Health Act~~
8 ~~of 1970 (29 U.S.C. 651 et seq.).~~
9 ~~"(4) Any determination of the Postal Service to dis-~~
10 ~~continue a post office shall be in writing and shall include~~
11 ~~the findings of the Postal Service, to the extent practicable~~
12 ~~and appropriate, with respect to the considerations re-~~
13 ~~quired to be made under paragraph (3) of this subsection.~~
14 ~~Such determination and findings shall be made available~~
15 ~~to persons served by such post office by public notice.~~
16 ~~"(5)(A) The Postal Service shall take no action to~~
17 ~~discontinue a post office until 60 days after its written~~
18 ~~determination is made available to persons served by such~~
19 ~~post office.~~
20 ~~"(B) The Postal Service shall take no action to dis-~~
21 ~~continue a post office until 60 days after the Postal Serv-~~
22 ~~ice provides written notice of the determination under~~
23 ~~paragraph (4) to the State board of elections for the State~~
24 ~~in which the post office is located.";~~

~~(3) in paragraph (6), as redesignated by this section—~~

~~(A) by striking "close or consolidate" and inserting "discontinue"; and~~

~~(B) by striking "paragraph (3)" and inserting "paragraph (4)"; and~~

~~(4) in paragraph (7), as redesignated by this section, by striking "paragraph (5)" and inserting "paragraph (6)".~~

~~SEC. 204. CHANGES TO MAIL DELIVERY SCHEDULE.~~

~~(a) LIMITATION ON CHANGE IN SCHEDULE.—The Postal Service may establish a general, nationwide delivery schedule of 5 or fewer days per week to street addresses under the authority of the Postal Service under title 39, United States Code, if—~~

~~(1) the Postal Service determines that such a delivery schedule would contribute to the achievement of long-term solvency; and~~

~~(2) not less than 1 year has elapsed since the date of enactment of this Act.~~

~~(b) IMPLEMENTATION.—~~

~~(1) IN GENERAL.—If the Postal Service intends to establish a change in delivery schedule under subsection (a), the Postal Service, to the extent practicable and appropriate, shall—~~

~~(A) identify customers and communities for which the change may have a disproportionate, negative impact, including small business customers and the customers identified as "particularly affected" in the Advisory Opinion on Elimination of Saturday Delivery issued by the Commission on March 24, 2011;~~

~~(B) develop measures to ameliorate any disproportionately negative impact the change would have on customers and communities identified under paragraph (1); and~~

~~(C) not later than 3 months before the effective date for any proposed change, submit a report that includes the determination required under subsection (a)(1) and details any measures developed pursuant to subparagraph (B) of this paragraph to—~~

~~(i) the Committee on Homeland Security and Governmental Affairs of the Senate;~~

~~(ii) the Committee on Oversight and Government Reform of the House of Representatives; and~~

~~(iii) the Commission.~~

~~(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to affect the authority of the Postal Service to establish a nationwide delivery schedule of 5 or fewer days per week if the conditions in subsection (a) are satisfied.~~

~~(c) GAO REPORT.—Not later than 270 days after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report evaluating the extent to which a change in delivery schedule would improve the financial condition of the Postal Service and assist in the efforts of the Postal Service to achieve long-term solvency, taking into consideration other ongoing and planned efforts to increase revenue and reduce costs, consistent with the requirements of this Act.~~

~~(d) RULES OF CONSTRUCTION.—Nothing in this section shall be construed to—~~

~~(1) require the decrease or increase in delivery frequency for any route for which the Postal Service provided delivery on fewer than 6 days per week as of the date of enactment of this Act;~~

~~(2) authorize any change in—~~

~~(A) the days and times that postal retail service or any mail acceptance is available at postal retail facilities or processing facilities; or~~

~~(B) the locations at which postal retail service or mail acceptance occurs at postal retail facilities or processing facilities;~~

~~(3) require any change in the frequency of delivery to a post office box;~~

~~(4) prohibit the collection or delivery of a competitive mail product on a weekend, a recognized Federal holiday, or any other specific day of the week; or~~

~~(5) prohibit the Postal Service from exercising its authority to make changes to processing or retail networks.~~

~~(c) PACKAGES.—Notwithstanding any other provision of this section, for a period of not less than 2 years, beginning on the date of enactment of this Act, the Postal Service shall provide package service—~~

~~(1) 6 days per week to each street address that was eligible to receive package service 6 days per week as of January 1, 2013; and~~

~~(2) 7 days per week to each street address for which the Postal Service determines that such serv-~~

~~ice provides an economic benefit to the Postal Service.~~

~~(f) MAILBOX ACCESS.—If the Postal Service establishes a general, nationwide delivery schedule of 5 or fewer days per week consistent with the provisions of this section, the Postal Service shall amend the Mailing Standards of the United States, Domestic Mail Manual to ensure that the provisions of section 508.3.2.10 of such manual, as in effect on January 1, 2013, shall apply on any day on which the Postal Service does not deliver the mail under the established delivery schedule.~~

~~SEC. 205. DELIVERY POINT MODERNIZATION.~~

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

~~"§ 3692. Delivery point modernization~~

~~"(a) DEFINITIONS.—In this section, the following definitions shall apply:~~

~~"(1) CENTRALIZED DELIVERY.—The term 'centralized delivery' means a primary mode of mail delivery whereby mail is delivered to a group or cluster of mail receptacles at a single location.~~

~~"(2) CURBSIDE DELIVERY.—The term 'curbside delivery' means a primary mode of mail delivery whereby mail is delivered to a mail receptacle that~~

~~is situated at the edge of a public sidewalk abutting a road or curb, at a road, or at a curb.~~

~~"(3) DELIVERY POINT.—The term 'delivery point' means a mailbox or other receptacle to which mail is delivered.~~

~~"(4) DISTRICT OFFICE.—The term 'district office' means the central office of an administrative field unit with responsibility for postal operations in a designated geographic area (as defined under regulations, directives, or other guidance of the Postal Service).~~

~~"(5) DOOR DELIVERY.—The term 'door delivery'—~~

~~"(A) means a primary mode of mail delivery whereby mail is—~~

~~"(i) delivered to a mail receptacle at or near a postal customer's door; or~~

~~"(ii) hand-delivered to a postal customer; and~~

~~"(B) does not include curbside or centralized delivery.~~

~~"(6) PRIMARY MODE OF MAIL DELIVERY.—The term 'primary mode of mail delivery' means the typical method by which the Postal Service delivers mail to the delivery point of a postal customer.~~

1 ~~"(b) POLICY.—Except as otherwise provided in this~~
2 ~~section, including paragraphs (4) and (5) of subsection~~
3 ~~(c), it shall be the policy of the Postal Service to use the~~
4 ~~primary mode of mail delivery that is most cost-effective~~
5 ~~and is in the best long-term interest of the Postal Service.~~
6 ~~"(c) CONVERSION TO OTHER DELIVERY MODES.—~~
7 ~~"(1) NEW ADDRESSES.—Except as provided in~~
8 ~~paragraphs (4) and (5), the Postal Service shall pro-~~
9 ~~vide centralized delivery to new addresses established~~
10 ~~after the date of enactment of the Postal Reform~~
11 ~~Act of 2013, or if centralized delivery is not prac-~~
12 ~~ticable shall provide curbside delivery.~~
13 ~~"(2) BUSINESS ADDRESS CONVERSION.—The~~
14 ~~Postal Service shall carry out a program to convert~~
15 ~~business addresses with door delivery on the date of~~
16 ~~enactment of the Postal Reform Act of 2013 to cen-~~
17 ~~tralized delivery or to curbside delivery.~~
18 ~~"(3) RESIDENTIAL ADDRESS CONVERSION.—~~
19 ~~"(A) IDENTIFICATION.—Not later than 9~~
20 ~~months after the date of enactment of the Post-~~
21 ~~al Reform Act of 2013, the head of each dis-~~
22 ~~trict office of the Postal Service shall identify~~
23 ~~residential addresses within the district office's~~
24 ~~service area that are appropriate candidates for~~
25 ~~conversion from door delivery to another pri-~~

~~mary mode of delivery, in accordance with standards established by the Postal Service.~~

~~"(B) VOLUNTARY CONVERSION.—Not later than 1 year after the date of enactment of the Postal Reform Act of 2013, and consistent with subsection (b) and paragraph (4), the Postal Service shall begin implementation of a program to convert, on a voluntary basis, the addresses identified under subparagraph (A) from door delivery to a more cost-effective primary mode of delivery.~~

~~"(C) PROCEDURES.—In pursuing conversion under subparagraph (B), the Postal Service shall establish procedures to—~~

~~"(i) solicit and consider input from postal customers, State and local governments, local associations, and property owners; and~~

~~"(ii) place centralized delivery points in locations that maximize delivery efficiency, ease of use for postal customers, and respect for private property rights.~~

~~"(4) EXCEPTIONS.—In establishing a primary mode of mail delivery for new addresses under paragraph (1) or converting the primary mode of mail~~

~~delivery for an address under paragraph (2) or (3), the Postal Service may provide door delivery if—~~

~~"(A) a physical barrier precludes the efficient provision of centralized delivery or curbside delivery;~~

~~"(B) the address is located in a registered historic district, as that term is defined in section 47(c)(3)(B) of the Internal Revenue Code of 1986; or~~

~~"(C) the Postal Service determines that the provision of centralized delivery or curbside delivery would be impractical, would not be cost-effective, or would not be in the best long-term interest of the Postal Service.~~

~~"(5) WAIVER FOR PHYSICAL HARDSHIP.—The Postal Service shall establish and maintain a waiver program under which, upon the application of a postal customer, door delivery may be continued or provided to a delivery point if—~~

~~"(A) centralized delivery or curbside delivery would, but for this paragraph, be the primary mode of mail delivery for the delivery point; and~~

1 ~~"(B) a physical hardship prevents the post-~~
2 ~~al customer from receiving his or her mail~~
3 ~~through any other form of mail delivery.".~~
4 ~~(b) CLERICAL AMENDMENT.—The table of sections~~
5 ~~for subchapter VII of chapter 36 of title 39, United States~~
6 ~~Code, is amended by adding at the end the following:~~
~~"3692. Delivery point modernization.".~~
7 **~~SEC. 206. POSTAL SERVICES FOR MARKET-DOMINANT~~**
8 **~~PRODUCTS.~~**
9 ~~(a) IN GENERAL.—Strike section 3661 of title 39,~~
10 ~~United States Code, and insert the following:~~
11 **~~"§ 3661. Postal services for market-dominant prod-~~**
12 **~~ucts~~**
13 ~~"(a) GENERAL OBLIGATION.—The Postal Service~~
14 ~~shall develop and promote adequate and efficient postal~~
15 ~~services with respect to its market-dominant products.~~
16 ~~"(b) CHANGE IN SERVICE.—The Board of Governors~~
17 ~~of the Postal Service is authorized to determine whether~~
18 ~~there should be a change in the nature of postal service~~
19 ~~provided for market-dominant products that will generally~~
20 ~~affect such service on a nationwide or substantially nation-~~
21 ~~wide basis. The authority under this subsection may not~~
22 ~~be delegated to the Postmaster General or to any other~~
23 ~~individual or entity.~~
24 ~~"(c) NOTICE, COMMENT, AND REVIEW.—~~
25 ~~"(1) NOTICE.—~~

1 ~~"(A) IN GENERAL.—Not later than 60~~
2 ~~days before the date on which any change in~~
3 ~~service under subsection (b) is implemented, the~~
4 ~~Board of Governors shall provide public notice~~
5 ~~of the proposed change in service implementa-~~
6 ~~tion of the proposed change, including any ad-~~
7 ~~justment in classes or rates proposed to be~~
8 ~~made under this section.~~
9 ~~"(B) PUBLICATION.—The notice required~~
10 ~~by subparagraph (A) shall be—~~
11 ~~"(i) published in the Federal Register~~
12 ~~and on the website of the Postal Service;~~
13 ~~and~~
14 ~~"(ii) provided to the Postal Regu-~~
15 ~~latory Commission.~~
16 ~~"(C) CONTENTS.—The notice required by~~
17 ~~subparagraph (A) shall describe the proposed~~
18 ~~change in service, and address the consistency~~
19 ~~of the change with the policies of this title, in-~~
20 ~~cluding its effect on the provision of universal~~
21 ~~postal service.~~
22 ~~"(2) PUBLIC COMMENT.—The Board of Gov-~~
23 ~~ernors shall solicit and receive public comments on~~
24 ~~any proposed change in service under subsection (b).~~
25 ~~The Board shall give interested persons an oppor-~~

~~tunity to comment on the proposed change in service through the submission of written data, views, or arguments, with or without opportunity for oral presentation, and shall take any relevant matter presented into consideration in making its final determination regarding the proposed change in service.~~

~~"(3) FINAL DECISION.—Not later than 30 days before the date on which a change in service under subsection (b) takes effect, the Board of Governors shall issue a final decision on the change in service which shall—~~

~~"(A) be published in the Federal Register and on the website of the Postal Service; and~~

~~"(B) include an explanation responding to all relevant comments received.~~

~~"(4) COMMISSION REVIEW.—Any change in service made by the Board of Governors under this section shall be subject to review by the Commission under section 3662.~~

~~"(d) LIMITATION.—Nothing in this section shall be construed as authorizing the making of changes under this section to the nature of service provided for competitive products. For a change that affects the nature of service provided for both market-dominant products and competi-~~

~~tive products, only the effect on market-dominant products shall be subject to this section.''.~~

~~(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 36 of title 39, United States Code, is amended by striking the item relating to section 3661 and inserting the following:~~

~~''3661. Postal services for market-dominant products.''.~~

~~TITLE III—POSTAL SERVICE REVENUE~~

~~SEC. 301. POSTAL RATES.~~

~~(a) MODERN RATE SYSTEM.—~~

~~(1) IN GENERAL.—Chapter 36 of title 39, United States Code, is amended by striking section 3622 and inserting the following:~~

~~''§ 3622. Modern rate system~~

~~''(a) AUTHORITY GENERALLY.—The Board of Governors of the Postal Service shall establish, and may from time to time thereafter revise, a system of classes and rates for market-dominant products, consistent with the requirements of this section. The authority under this section may not be delegated to the Postmaster General or to any other individual or body.~~

~~''(b) OBJECTIVES.—Such system shall be designed to achieve the following objectives, each of which shall be applied in conjunction with the others:~~

~~"(1) To maximize incentives for the Postal Service to reduce costs and increase efficiency.~~

~~"(2) To create predictability and stability in rates through the establishment of a schedule whereby rates change at regular intervals by predictable amounts.~~

~~"(3) To maintain high quality service standards established under section 3691.~~

~~"(4) To assure adequate revenues, including retained earnings, to maintain financial stability.~~

~~"(5) To establish and maintain a just and reasonable schedule for rates and classifications, however the objective under this paragraph shall not be construed to prohibit the Board of Governors from making changes of unequal magnitude within, between, or among classes of mail.~~

~~"(6) To enhance mail security and deter terrorism.~~

~~"(7) To allocate the total institutional costs of the Postal Service appropriately between market-dominant and competitive products, in accordance with regulations established by the Postal Regulatory Commission under section 3633.~~

~~"(c) FACTORS.—In establishing or revising such system, the Board of Governors shall take into account—~~

1 ~~"(1) the value of the mail service actually pro-~~
2 ~~vided each class or type of mail service to both the~~
3 ~~sender and the recipient, including but not limited to~~
4 ~~the collection, mode of transportation, and priority~~
5 ~~of delivery;~~
6 ~~"(2) the direct and indirect postal costs attrib-~~
7 ~~utable to each class or type of mail service through~~
8 ~~reliably identified causal relationships and that por-~~
9 ~~tion of all other costs of the Postal Service reason-~~
10 ~~ably assignable to such class or type;~~
11 ~~"(3) the effect of rate increases upon the gen-~~
12 ~~eral public, business mail users, and enterprises in~~
13 ~~the private sector of the economy engaged in the de-~~
14 ~~livery of mail matter other than letters;~~
15 ~~"(4) the available alternative means of sending~~
16 ~~and receiving letters and other mail matter at rea-~~
17 ~~sonable costs;~~
18 ~~"(5) the simplicity of structure for the entire~~
19 ~~schedule and simple, identifiable relationships be-~~
20 ~~tween the rates or fees charged the various classes~~
21 ~~of mail for postal services;~~
22 ~~"(6) the relative value to the people of the~~
23 ~~kinds of mail matter entered into the postal system~~
24 ~~and the desirability and justification for special clas-~~
25 ~~sifications and services of mail;~~

~~"(7) the importance of providing classifications with extremely high degrees of reliability and speed of delivery and of providing those that do not require high degrees of reliability and speed of delivery;~~

~~"(8) the desirability of special classifications for both postal users and the Postal Service in accordance with the policies of this title;~~

~~"(9) the educational, cultural, scientific, and informational value to the recipient of mail matter;~~

~~"(10) the need for the Postal Service to increase its efficiency and reduce its costs, including infrastructure costs, to help maintain high quality, affordable postal services;~~

~~"(11) the value to the Postal Service and postal users of promoting intelligent mail and of secure, sender-identified mail; and~~

~~"(12) the policies of this title as well as such other factors as the Board of Governors determines appropriate.~~

~~"(d) NOTICE, COMMENT, AND REVIEW.—~~

~~"(1) NOTICE.—The Board of Governors shall provide notice of any adjustment in classes or rates proposed to be made under this section—~~

~~"(A) not less than—~~

~~"(i) 90 days before implementation of any class or rate adjustment that affects all or substantially all market-dominant products; and~~

~~"(ii) 45 days before implementation of any other class or rate adjustment; and~~

~~"(B) to—~~

~~"(i) the public, including by—~~

~~"(I) publication in the Federal Register; and~~

~~"(II) posting on Postal Service's website; and~~

~~"(ii) the Postal Regulatory Commission.~~

~~"(2) PUBLIC COMMENT.—The Board of Governors shall solicit and receive public comments on any proposed rate or class adjustment, and shall take such comments into account in making its final determination as to a rate or class adjustment.~~

~~"(3) FINAL DECISION.—Not later than 10 days before a rate or class adjustment takes effect, the Board of Governors shall issue a final decision on the adjustment which shall—~~

~~"(A) be published in the Federal Register and on the Postal Service's website; and~~

1 ~~"(B) include an explanation responding to~~
2 ~~all relevant comments received.~~
3 ~~"(4) COMMISSION REVIEW.—Any adjustment~~
4 ~~made by the Board of Governors under this section~~
5 ~~shall be subject to review by the Commission under~~
6 ~~section 3662.~~
7 ~~"(e) LIMITATIONS ON RATE ADJUSTMENTS.—~~
8 ~~"(1) ANNUAL LIMITATION.—The Board of Gov-~~
9 ~~ernors may not increase rates under this section for~~
10 ~~market-dominant products as a whole by an annual~~
11 ~~percentage that exceeds the percentage change in~~
12 ~~the Consumer Price Index for All Urban Consumers~~
13 ~~unadjusted for seasonal variation over the most re-~~
14 ~~cent available 12-month period preceding the date~~
15 ~~the Board of Governors provides notice of its inten-~~
16 ~~tion to increase rates.~~
17 ~~"(2) CONDITIONS.—~~
18 ~~"(A) ROUNDING OF RATES AND FEES.—~~
19 ~~Nothing in this subsection shall preclude the~~
20 ~~Board of Governors from rounding rates and~~
21 ~~fees to the nearest whole integer, if the effect~~
22 ~~of such rounding does not cause the overall rate~~
23 ~~increase for any class to exceed the Consumer~~
24 ~~Price Index for All Urban Consumers.~~

~~"(B) USE OF UNUSED RATE AUTHORITY.—~~

~~"(i) DEFINITION.—In this subparagraph, the term 'unused rate adjustment authority' means the difference between—~~

~~"(I) the maximum amount of a rate adjustment that the Board of Governors is authorized to make in any year subject to the annual limitation under paragraph (1); and~~

~~"(II) the amount of the rate adjustment the Board of Governors actually makes in that year.~~

~~"(ii) AUTHORITY.—Subject to clause (iii), the Postal Service may use any unused rate adjustment authority for any of the 5 years following the year such authority occurred.~~

~~"(iii) LIMITATIONS.—In exercising the authority under clause (ii) in any year, the Postal Service—~~

~~"(I) may use unused rate adjustment authority from more than 1 year;~~

~~"(II) may use any part of the unused rate adjustment authority from any year;~~

~~"(III) shall use the unused rate adjustment authority from the earliest year such authority first occurred and then each following year; and~~

~~"(IV) may not exceed the annual limitation under paragraph (1) by more than 2 percentage points.~~

~~"(3) EXIGENT CIRCUMSTANCES.—Notwithstanding any limitation under subsection (d)(1) and paragraph (1) of this subsection, and provided there is not sufficient unused rate authority under paragraph (2)(B), the Board of Governors may adjust rates on an expedited basis due to either extraordinary or exceptional circumstances, provided that the Board of Governors unanimously determines, after notice and opportunity for public comment, that such adjustment is reasonable and equitable and necessary to enable the Postal Service, under best practices of honest, efficient, and economical management, to maintain and continue the development of postal services of the kind and quality adapted to the needs of the United States.~~

1 ~~"(4) EXPIRATION OF RATE CAP.—Any system~~
2 ~~of rates and classes established or revised by the~~
3 ~~Board of Governors under subsection (a) after De-~~
4 ~~cember 20, 2016, shall not be subject to the limita-~~
5 ~~tion in paragraph (1) of this subsection.~~
6 ~~"(f) WORKSHARE DISCOUNTS.—~~
7 ~~"(1) DEFINITION.—In this subsection, the term~~
8 ~~'workshare discount' refers to rate discounts pro-~~
9 ~~vided to mailers for the presorting, prebarcoding,~~
10 ~~handling, or transportation of mail, as further de-~~
11 ~~fined by the Board of Governors under subsection~~
12 ~~(a).~~
13 ~~"(2) SCOPE.—The Board of Governors shall en-~~
14 ~~sure that such discounts do not exceed the cost that~~
15 ~~the Postal Service avoids as a result of workshare~~
16 ~~activity, unless—~~
17 ~~"(A) the discount is—~~
18 ~~"(i) associated with a new postal serv-~~
19 ~~ice, a change to an existing postal service,~~
20 ~~or with a new work share initiative related~~
21 ~~to an existing postal service; and~~
22 ~~"(ii) necessary to induce mailer behav-~~
23 ~~ior that furthers the economically efficient~~
24 ~~operation of the Postal Service and the~~
25 ~~portion of the discount in excess of the~~

~~cost that the Postal Service avoids as a result of the workshare activity will be phased out over a limited period of time;~~

~~"(B) the amount of the discount above costs avoided—~~

~~"(i) is necessary to mitigate rate shock; and~~

~~"(ii) will be phased out over time;~~

~~"(C) the discount is provided in connection with a category of mail consisting exclusively of mail matter of educational, cultural, scientific, or informational value; or~~

~~"(D) reduction or elimination of the discount would—~~

~~"(i) impede the efficient operation of the Postal Service;~~

~~"(ii) lead to a loss of volume in the affected category of mail and reduce the aggregate contribution to the institutional costs of the Postal Service from the category subject to the discount below what it otherwise would have been if the discount had not been reduced or eliminated; or~~

~~"(iii) result in a further increase in the rates paid by mailers not able to take advantage of the discount.~~

~~"(3) NOTICE.—Whenever a workshare discount is established, the Board of Governors shall ensure that the notice provided under subsection (d)(1) includes—~~

~~"(A) the reasons for establishing the discount;~~

~~"(B) the data, economic analyses, and other information relied on by the Board of Governors to justify the rate; and~~

~~"(C) a certification that the discount will not adversely affect rates or services provided to users of postal services who do not take advantage of the discount rate.~~

~~"(g) NEGOTIATED SERVICE AGREEMENTS.—The Board of Governors shall ensure that any agreement between the Postal Service and a mailer that adjusts rates or classes in a manner that is specific to the mailer—~~

~~"(1) is available on public and reasonable terms to similarly situated mailers;~~

~~"(2) either—~~

~~"(A) improves the net financial position of the Postal Service through reducing Postal~~

~~Service costs or increasing the overall contribution to the institutional costs of the Postal Service; or~~

~~"(B) enhances the performance of mail preparation, processing, transportation, or other functions; and~~

~~"(3) does not cause unreasonable harm to the marketplace.~~

~~"(h) CONSIDERATION OF PRIOR COMMISSION DECISIONS.—In making any determination under this section, including the construction and interpretation of the terms used in this section, the Board of Governors shall give consideration to decisions of the Commission made prior to the date of enactment of the Postal Reform Act of 2013, and shall include an explanation of any deviation from such decisions in the notice required under subsection (d)(1).".~~

~~(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 36 of title 39, United States Code, is amended by striking the item relating to section 3622 and inserting the following:~~

~~"3622. Postal services for market-dominant products.".~~

~~(b) REPEAL OF RATE PREFERENCES FOR QUALIFIED POLITICAL COMMITTEES.—~~

~~(1) IN GENERAL.—Section 3626 of title 39, United States Code, is amended—~~

~~(A) by striking subsection (e);~~

~~(B) by redesignating subsections (f), (g), and (h) as subsections (e), (f), and (g), respectively;~~

~~(C) by redesignating subsections (j) through (n) as subsections (h) through (l), respectively; and~~

~~(D) in subsection (h), as redesignated by paragraph (3)—~~

~~(i) in paragraph (1)(D), by striking "subsection (m)(2)" and inserting "subsection (k)(2)"; and~~

~~(ii) in paragraph (3)(B), by striking "subsection (m)" and inserting "subsection (k)".~~

~~(2) TECHNICAL AND CONFORMING AMENDMENT.—Section 3629 of title 39, United States Code, is amended—~~

~~(A) by striking "is available" and inserting "was available"; and~~

~~(B) by striking "section 3626" and inserting "section 3626, as in effect on the day be-~~

~~fore the date of enactment of the Postal Reform Act of 2013,''.~~

~~SEC. 302. NONPOSTAL SERVICES.~~

~~(a) AUTHORIZATION OF NEW NONPOSTAL SERVICES.—~~

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

~~(A) in subsection (a)—~~

~~(i) by redesignating paragraphs (6) through (8) as paragraphs (7) through (9), respectively; and~~

~~(ii) by inserting after paragraph (5) the following:~~

~~''(6) on and after the date of enactment of the Postal Reform Act of 2013, and except as provided in subsection (e)—~~

~~''(A) to provide other services that are not postal services, if the provision of such services—~~

~~''(i) uses the processing, transportation, delivery, retail network, or technology of the Postal Service;~~

~~''(ii) is consistent with the public interest and a demonstrated or potential public demand for—~~

1 ~~"(I) the Postal Service, rather~~
2 ~~than another entity, to provide the~~
3 ~~services; or~~
4 ~~"(II) the Postal Service, in addi-~~
5 ~~tion to or in partnership with another~~
6 ~~entity, to provide the services;~~
7 ~~"(iii) would not create unfair competi-~~
8 ~~tion with the private sector, taking into~~
9 ~~consideration the extent to which the Post-~~
10 ~~al Service will not, either by legal obliga-~~
11 ~~tion or voluntarily, comply with any state~~
12 ~~or local requirements that generally apply~~
13 ~~to persons providing the services;~~
14 ~~"(iv) does not unreasonably interfere~~
15 ~~with or detract from the value of postal~~
16 ~~services, including—~~
17 ~~"(I) the cost and efficiency of~~
18 ~~postal services; and~~
19 ~~"(II) access to postal retail serv-~~
20 ~~ice;~~
21 ~~"(v) will be undertaken in accordance~~
22 ~~with all Federal laws generally applicable~~
23 ~~to the provision of such services; and~~
24 ~~"(vi) has the potential to improve the~~
25 ~~net financial position of the Postal Service,~~

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

"(B) to classify a service provided under subparagraph (A) as an experimental product subject to section 3641;";

(B) in subsection (c)(1), by inserting "and that was offered by the Postal Service on the date of enactment of the Postal Reform Act of 2013" after "102(5)"; and

(C) by adding at the end the following:

"(g) For purposes of chapters 20 and 36 of this title, nonpostal services provided under subsection (a)(6) shall be treated as competitive products.".

(2) COMPLAINTS.—Section 3662(a) of title 39, United States Code, is amended by inserting "404(a)(6),"" after "403(c),".

(3) MARKET ANALYSIS.—During the 5-year period beginning on the date of enactment of this Act, the Postal Service shall submit a copy of any market analysis provided to the Commission under section 404(a)(6)(A)(vi) of title 39, United States Code, as amended by this section, to the Committee on Homeland Security and Governmental Affairs of the

~~Senate and the Committee on Oversight and Government Reform of the House of Representatives.~~

~~(b) GOVERNMENTAL SERVICES.—Section 411 of title 39, United States Code, is amended—~~

~~(1) in the second sentence, by striking "this section" and inserting "this subsection";~~

~~(2) by inserting "(a)" before "Executive agencies"; and~~

~~(3) by adding at the end the following—~~

~~"(b)(1) The Postal Service is authorized to furnish property and services to States, local governments, and tribal governments, under such terms and conditions, including reimbursability, as the Postal Service and the applicable State, local government, or tribal government shall determine appropriate.~~

~~"(2) For purposes of this subsection—~~

~~"(A) the term 'local government' means—~~

~~"(i) a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments, or regional or interstate government entity;~~

~~"(ii) an agency or instrumentality of an entity described in clause (i); or~~

1 ~~"(iii) a rural community, an unincor-~~
2 ~~porated town or village, or an instrumentality of~~
3 ~~a rural community or an unincorporated town~~
4 ~~or village;~~
5 ~~"(B) the term 'State' includes the District of~~
6 ~~Columbia, the Commonwealth of Puerto Rico, the~~
7 ~~United States Virgin Islands, Guam, American~~
8 ~~Samoa, the Commonwealth of the Northern Mariana~~
9 ~~Islands, and any other territory or possession of the~~
10 ~~United States; and~~
11 ~~"(C) the term 'tribal government' means the~~
12 ~~government of an Indian tribe, as that term is de-~~
13 ~~fined in section 4(e) of the Indian Self-Determina-~~
14 ~~tion Act (25 U.S.C. 450b(e)).~~
15 ~~"(e) The Postal Service shall submit to the Postal~~
16 ~~Regulatory Commission, together with the report required~~
17 ~~under section 3652, a report that details the costs and~~
18 ~~revenues of the services provided by the Postal Service~~
19 ~~under this section.~~
20 ~~"(d) In determining reimbursability under sub-~~
21 ~~sections (a) and (b), the Postal Service shall ensure that~~
22 ~~each service provided under such subsections covers its~~
23 ~~costs attributable, as that term is defined in section~~
24 ~~3631(b).".~~
25 ~~(c) CONFORMING AMENDMENTS.—~~

~~(1) SECTION 404(c) OF TITLE 39.—Section 404(c) of title 39, United States Code, is amended by striking paragraph (5) and inserting the following:~~

~~"(5) Each nonpostal service authorized under this subsection shall be designated as market-dominant or competitive based on the designation of the nonpostal service in the Mail Classification Schedule as in effect on the date of enactment of the Postal Reform Act of 2013.~~

~~"(6) Nothing in this subsection shall be construed to prevent the Postal Service from establishing nonpostal products and services that are expressly authorized by subsection (a)(6).".~~

~~(2) SECTION 3641 OF TITLE 39.—Section 3641 of title 39, United States Code, is amended—~~

~~(A) in subsection (b)(1), by inserting "(or the appropriate consumers in the case of nonpostal products)" after "users";~~

~~(B) in the first sentence of subsection (b)(3), by striking "section 3642(b)(1)" and inserting "sections 404(g) and 3642(b)(1)";~~

~~(C) in the second sentence of subsection (b)(3), by striking "section 3633(3)" and inserting "section 3633(a)(3)";~~

(D) in subsection (c)(1), by striking "$10,000,000" and inserting "$50,000,000"; and

(E) in subsection (c)(2), by striking "$50,000,000" and inserting "$100,000,000".

(3) TECHNICAL AND CONFORMING AMENDMENTS.—Section 2003(b)(1) of title 39, United States Code, is amended by striking "postal and nonpostal services" and inserting "postal services, nonpostal services authorized under section 404(e), and products and services authorized under section 411,".

SEC. 303. SHIPPING OF WINE, BEER, AND DISTILLED SPIRITS.

(a) MAILABILITY.—

(1) NONMAILABLE ARTICLES.—Section 1716(f) of title 18, United States Code, is amended by striking "mails" and inserting "mails, except to the extent that the mailing is allowable under section 3001(p) of title 39".

(2) APPLICATION OF LAWS.—Section 1161 of title 18, United States Code, is amended, by inserting ", and, with respect to the mailing of distilled spirits, wine, or malt beverages (as those terms are defined in section 117 of the Federal Alcohol Admin-

~~istration Act (27 U.S.C. 211)), is in conformity with section 3001(p) of title 39'' after ''Register''.~~

~~(b) REGULATIONS.—Section 3001 of title 39, United States Code, is amended by adding at the end the following:~~

~~''(p)(1) In this subsection, the terms 'distilled spirits', 'wine', and 'malt beverage' have the same meanings as in section 117 of the Federal Alcohol Administration Act (27 U.S.C. 211).~~

~~''(2) Distilled spirits, wine, or malt beverages shall be considered mailable if mailed—~~

~~''(A) in accordance with the laws and regulations of—~~

~~''(i) the State, territory, or district of the United States where the sender or duly authorized agent initiates the mailing; and~~

~~''(ii) the State, territory, or district of the United States where the addressee or duly authorized agent takes delivery; and~~

~~''(B) to an addressee who is at least 21 years of age—~~

~~''(i) who provides a signature and presents a valid, government-issued photo identification upon delivery; or~~

~~''(ii) the duly authorized agent of whom—~~

~~"(I) is at least 21 years of age; and~~

~~"(II) provides a signature and presents a valid, government-issued photo identification upon delivery.~~

~~"(3) The Postal Service shall prescribe such regulations as may be necessary to carry out this subsection.".~~

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

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

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

~~TITLE IV—POSTAL SERVICE GOVERNANCE~~

~~SEC. 401. BOARD OF GOVERNORS OF THE POSTAL SERVICE.~~

~~(a) BOARD OF GOVERNORS.—Title 39, United States Code, is amended by striking section 202 and inserting the following:~~

~~"§ 202. Board of Governors~~

~~"(a) IN GENERAL.—The exercise of the power of the Postal Service shall be directed by a Board of Governors composed of 9 members appointed in accordance with this section, each of whom shall be a voting member of the Board.~~

1 ~~"(b) MEMBERSHIP.—~~

2 ~~"(1) COMPOSITION.—The Board shall be com-~~

3 ~~posed of—~~

4 ~~"(A) the Postmaster General;~~

5 ~~"(B) the Secretary of the Treasury; and~~

6 ~~"(C) 7 members, to be known as Gov-~~

7 ~~ernors, who shall be appointed by the President,~~

8 ~~by and with the advice and consent of the Sen-~~

9 ~~ate.~~

10 ~~"(2) AFFILIATION.—Not more than 4 of the~~

11 ~~Governors may be members of any one political~~

12 ~~party.~~

13 ~~"(3) CHAIRPERSON.—The President shall des-~~

14 ~~ignate one of the Governors to serve as the Chair-~~

15 ~~person of the Board.~~

16 ~~"(c) QUALIFICATIONS.—~~

17 ~~"(1) IN GENERAL.—The Governors shall rep-~~

18 ~~resent the public interest generally, and shall be cho-~~

19 ~~sen solely on the basis of experience in public serv-~~

20 ~~ice, law, or accounting, or on a demonstrated ability~~

21 ~~to manage organizations or corporations (in either~~

22 ~~the public or private sector) of substantial size.~~

23 ~~"(2) NO SPECIFIC INTEREST.—A Governor may~~

24 ~~not be a representative of a specific interest using~~

25 ~~the Postal Service.~~

1 ~~"(3) INITIAL APPOINTMENTS.—At least one of~~
2 ~~the Governors who is appointed to fill a position that~~
3 ~~is vacant on the date of enactment of the Postal Re-~~
4 ~~form Act of 2013 shall, in addition to the qualifica-~~
5 ~~tions set forth in paragraph (1), be appointed based~~
6 ~~on the demonstrated ability of that individual to~~
7 ~~manage and improve financially troubled organiza-~~
8 ~~tions.~~
9 ~~"(d) REMOVAL.—A Governor may be removed only~~
10 ~~for cause.~~
11 ~~"(e) COMPENSATION.—~~
12 ~~"(1) SALARY.—Each Governor shall receive a~~
13 ~~salary of $30,000 each year, plus $300 for each day,~~
14 ~~for not more than 42 days, on which the Governor~~
15 ~~attends a meeting of the Board. Nothing in this~~
16 ~~paragraph shall be construed to limit the number of~~
17 ~~days of meetings each year to 42 days.~~
18 ~~"(2) REIMBURSEMENT FOR MEETINGS.—Each~~
19 ~~Governor shall be reimbursed for travel and reason-~~
20 ~~able expenses incurred in attending meeting meet-~~
21 ~~ings of the Board.~~
22 ~~"(f) TERMS.—~~
23 ~~"(1) IN GENERAL.—Each Governor shall serve~~
24 ~~for a term of 7 years.~~

~~"(2) VACANCIES.—A Governor appointed to fill a vacancy occurring before the expiration of the term to which the predecessor of that Governor was appointed shall serve for the remainder for the remainder of that term.~~

~~"(3) CONTINUATION OF SERVICE.—A Governor may continue to serve after the expiration of the term of that Governor until a successor has been appointed, except that a Governor may not continue to serve for more than 1 year after the date on which the term of that Governor would have otherwise expired.~~

~~"(4) LIMIT.—A Governor may serve for not more than 2 terms.~~

~~"(g) POSTMASTER GENERAL.—~~

~~"(1) APPOINTMENT AND REMOVAL.—The Governors shall appoint and shall have the power to remove the Postmaster General.~~

~~"(2) PAY AND TERM OF SERVICE.—The pay and term of service of the Postmaster General shall be determined by the Governors.~~

~~"(h) DEPUTY POSTMASTER GENERAL.—~~

~~"(1) APPOINTMENT AND REMOVAL.—The Governors and the Postmaster General shall appoint and~~

~~shall have the power to remove the Deputy Postmaster General.~~

~~"(2) PAY.—The pay of the Deputy Postmaster General shall be determined by the Governors.~~

~~"(3) TERM OF SERVICE.—The term of service of the Deputy Postmaster General shall be determined by the Governors and the Postmaster General.~~

~~"(i) EXECUTIVE COMMITTEE.—~~

~~"(1) AUTHORITY TO ESTABLISH.—The Board, by a vote of a majority of its members, may establish an Executive Committee of the Board, consistent with paragraph (2).~~

~~"(2) BOARD MEMBERSHIP AND RESPONSIBILITIES.—If established by the Board, the Executive Committee shall—~~

~~"(A) be composed of the Chairperson of the Board and 2 additional Governors designated by the Board, except that not more than 2 members of the Executive Committee may be members of any one political party;~~

~~"(B) develop and oversee implementation of strategies and measures to ensure the long-term financial solvency of the Postal Service;~~

~~"(C) develop and oversee the implementation of the financial plan and budget required under section 403 of the Postal Reform Act of 2013 and updates to the financial plan and budget;~~

~~"(D) make recommendations to the Board regarding aspects of postal operations; and~~

~~"(E) assume such other responsibilities as the Board determines appropriate.~~

~~"(3) QUORUM.—2 members of the Executive Committee shall constitute a quorum for the transaction of business by the Executive Committee.~~

~~"(4) TERMINATION.—The Executive Committee may be terminated by a vote of the majority of the members of the Board.".~~

~~(b) PROCEDURES OF THE BOARD.—Section 205(c) of title 39, United States Code, is amended by striking "6 members" and inserting "5 members".~~

~~(c) INCUMBENTS; IMPLEMENTATION.—~~

~~(1) INCUMBENTS.—An individual serving as a Governor on the Board of Governors of the Postal Service (referred to in this subsection as a "Governor") on the date of enactment of this Act may continue to serve as a Governor until the expiration of the term of that Governor.~~

~~(2) IMPLEMENTATION OF MEMBERSHIP REDUCTION.—~~

~~(A) IN GENERAL.—The following vacancies in the position of Governor shall not be filled:~~

~~(i) One of the 2 positions as a Governor for which the term is scheduled to expire on December 8, 2014.~~

~~(ii) One of the 2 positions as a Governor for which the term is scheduled to expire on December 8, 2015.~~

~~(B) PREFERENCE FOR ABOLISHING VACANT POSITIONS.—~~

~~(i) POSITIONS EXPIRING IN 2014.—If one of the 2 positions referred to in clause (i) of subparagraph (A) is vacant on the date of enactment of this Act, that vacant position shall be the position that is not filled, as required under such clause (i).~~

~~(ii) POSITIONS EXPIRING IN 2015.—If one of the 2 positions referred to in clause (ii) of subparagraph (A) is vacant on the date of enactment of this Act, that vacant position shall be the position that is not filled, as required under such clause (ii).~~

~~(d) CONFORMING AMENDMENTS.—Title 39, United States Code, is amended—~~

~~(1) in section 102(3)—~~

~~(A) by striking "9" and inserting "7"; and~~

~~(B) by striking "202(a)" and inserting "202(b)(1)(C)"; and~~

~~(2) in section 203—~~

~~(A) by striking "202(c)" and inserting "202(g)"; and~~

~~(B) by striking "202(d)" and inserting "202(h)".~~

~~SEC. 402. STRATEGIC ADVISORY COMMISSION ON POSTAL SERVICE SOLVENCY AND INNOVATION.~~

~~(a) ESTABLISHMENT.—~~

~~(1) IN GENERAL.—There is established in the Postal Service a Strategic Advisory Commission on Postal Service Solvency and Innovation (referred to in this section as the "Advisory Commission").~~

~~(2) INDEPENDENCE.—The Advisory Commission shall not be subject to the supervision of the Board of Governors of the Postal Service (referred to in this section as the "Board of Governors"), the Postmaster General, or any other officer or employee of the Postal Service.~~

~~(b) PURPOSE.—The purpose of the Advisory Commission is—~~

~~(1) to provide strategic guidance to the President, Congress, the Board of Governors, and the Postmaster General on enhancing the long-term solvency of the Postal Service; and~~

~~(2) to foster innovative thinking to address the challenges facing the Postal Service.~~

~~(c) MEMBERSHIP.—~~

~~(1) COMPOSITION.—The Advisory Commission shall be composed of 7 members, of whom—~~

~~(A) 3 members shall be appointed by the President, who shall designate 1 member appointed under this subparagraph to serve as Chairperson of the Advisory Commission; and~~

~~(B) 1 member shall be appointed by each of—~~

~~(i) the majority leader of the Senate;~~

~~(ii) the minority leader of the Senate;~~

~~(iii) the Speaker of the House of Representatives; and~~

~~(iv) the minority leader of the House of Representatives.~~

~~(2) QUALIFICATIONS.—Members of the Advisory Commission shall be prominent citizens having—~~

~~(A) significant depth of experience in such fields as business and public administration;~~

~~(B) a reputation for innovative thinking;~~

~~(C) familiarity with new and emerging technologies; and~~

~~(D) experience with revitalizing organizations that experienced significant financial challenges or other challenges.~~

~~(3) INCOMPATIBLE OFFICES.—An individual who is appointed to the Advisory Commission may not serve as an elected official or an officer or employee of the Federal Government while serving as a member of the Advisory Commission, except in the capacity of that individual as a member of the Advisory Commission.~~

~~(4) DEADLINE FOR APPOINTMENT.—Each member of the Advisory Commission shall be appointed not later than 45 days after the date of enactment of this Act.~~

~~(5) MEETINGS; QUORUM; VACANCIES.—~~

~~(A) MEETINGS.—The Advisory Commission shall meet at the call of the Chairperson or~~

~~a majority of the members of the Advisory Commission.~~

~~(B) QUORUM.—4 members of the Advisory Commission shall constitute a quorum.~~

~~(C) VACANCIES.—Any vacancy in the Advisory Commission shall not affect the powers of the Advisory Commission, but shall be filled as soon as practicable in the same manner in which the original appointment was made.~~

~~(d) DUTIES AND POWERS.—~~

~~(1) DUTIES.—The Advisory Commission shall—~~

~~(A) study matters that the Advisory Commission determines are necessary and appropriate to develop a strategic blueprint for the long-term solvency of the Postal Service, including—~~

~~(i) the financial, operational, and structural condition of the Postal Service;~~

~~(ii) alternative strategies and business models that the Postal Service could adopt;~~

~~(iii) opportunities for additional postal and nonpostal products and services that the Postal Service could offer;~~

~~(iv) innovative services that postal services in foreign countries have offered, including services that respond to the increasing use of electronic means of communication; and~~

~~(v) the governance structure, management structure, and management of the Postal Service, including—~~

~~(I) the appropriate method of appointment, qualifications, duties, and compensation for senior officials of the Postal Service, including the Postmaster General; and~~

~~(II) the number and functions of senior officials of the Postal Service and the number of levels of management of the Postal Service; and~~

~~(B) submit the report required under subsection (f).~~

~~(2) HEARINGS.—The Advisory Commission may hold such hearings, take such testimony, and receive such evidence as is necessary to carry out this section.~~

~~(3) ACCESS TO INFORMATION.—The Advisory Commission may secure directly from the Postal~~

~~Service, the Board of Governors, the Postal Regulatory Commission, and any other Federal department or agency such information as the Advisory Commission considers necessary to carry out this section. Upon request of the Chairperson of the Advisory Commission, the head of the department or agency shall furnish the information described in the preceding sentence to the Advisory Commission.~~

~~(c) PERSONNEL MATTERS.—~~

~~(1) ADVISORY COMMISSION MEMBERS.—~~

~~(A) COMPENSATION OF MEMBERS.—Each member of the Advisory Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which the member is engaged in the actual performance of the duties of the Advisory Commission.~~

~~(B) TRAVEL EXPENSES.—Each member of the Advisory Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at the rate authorized for employees serving intermittently in the Government service under section 5703 of title 5, United States~~

~~Code, while away from home or regular place of business in the performance of services for the Advisory Commission.~~

~~(2) STAFF.—~~

~~(A) APPOINTMENT AND COMPENSATION.—The Chairperson, in accordance with rules agreed upon by the Advisory Commission, shall appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Advisory Commission to carry out the functions of the Advisory Commission, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification of positions and General Schedule pay rates, except that a rate of pay fixed under this subparagraph may not exceed the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code.~~

~~(B) DETAILEES.—Any Federal employee, including an employee of the Postal Service, may be detailed to the Advisory Commission~~

~~without reimbursement, and such detail shall be without interruption or loss of the civil service rights, status, or privilege of the employee.~~

~~(C) CONSULTANT SERVICES.—The Advisory Commission may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of such title.~~

~~(f) STRATEGIC BLUEPRINT FOR LONG-TERM SOLVENCY.—~~

~~(1) IN GENERAL.—Not later than 9 months after the date of enactment of this Act, the Advisory Commission shall submit a report that contains a strategic blueprint for the long-term solvency of the Postal Service to—~~

~~(A) the President;~~

~~(B) the Committee on Homeland Security and Governmental Affairs of the Senate;~~

~~(C) the Committee on Oversight and Government Reform of the House of Representatives;~~

~~(D) the Board of Governors; and~~

~~(E) the Postmaster General.~~

~~(2) CONTENTS.—The strategic blueprint contained in the report submitted under paragraph (1) shall include—~~

~~(A) an assessment of the business model of the Postal Service as of the date on which the report is submitted;~~

~~(B) an assessment of potential future business models for the Postal Service, including an evaluation of the appropriate balance between—~~

~~(i) necessary reductions in costs and services; and~~

~~(ii) additional opportunities for growth and revenue;~~

~~(C) a strategy for addressing significant current and future liabilities;~~

~~(D) identification of opportunities for further reductions in costs;~~

~~(E) identification of opportunities for new and innovative products and services;~~

~~(F) a strategy for future growth;~~

~~(G) a vision of how the Postal Service will operate in a sustainable manner 20 years after the date of enactment of this Act; and~~

~~(II) recommendations for any legislative changes necessary to implement the strategic blueprint described in this paragraph.~~

~~(g) STUDY AND STRATEGIC PLAN ON INTERAGENCY AGREEMENTS FOR POST OFFICES.—~~

~~(1) DUTIES OF ADVISORY COMMISSION.—~~

~~(A) STUDY.—~~

~~(i) IN GENERAL.—The Advisory Commission shall conduct a study concerning the advisability of the Postal Service entering into interagency agreements with Federal, State, and local agencies, with respect to post offices, that—~~

~~(I) streamline and consolidate services provided by Federal, State, and local agencies;~~

~~(II) decrease the costs incurred by Federal agencies in providing services to the general public; and~~

~~(III) improve the efficiency and maintain the customer service standards of the Federal, State, and local agencies.~~

~~(ii) CLARIFICATION OF INTER-AGENCY AGREEMENTS.—The study under clause (i)~~

~~shall include consideration of the advisability of the Postal Service entering into an interagency agreement with—~~

~~(I) the Bureau of the Census for the provision of personnel and resources for the 2020 decennial census;~~

~~(II) the department of motor vehicles, or an equivalent agency, of each State for the provision of driver licenses, vehicle registration, and voter registration;~~

~~(III) the division of wildlife, the department of natural resources, or an equivalent agency, of each State for the provision of hunting and fishing licenses; and~~

~~(IV) other Federal agencies responsible for providing services to the general public.~~

~~(B) FINDINGS.—The Advisory Commission shall—~~

~~(i) not later than 9 months after the date of enactment of this Act, submit to the Postal Service the findings of the study conducted under subparagraph (A); and~~

~~(ii) incorporate the findings described in clause (i) into the strategic blueprint required under subsection (f).~~

~~(2) POSTAL SERVICE STRATEGIC PLAN.—~~

~~(A) IN GENERAL.—Not later than 6 months after the date on which the Advisory Commission submits to the Postal Service the findings under paragraph (1)(B), the Postal Service shall submit a strategic plan for entering into interagency agreements concerning post offices to—~~

~~(i) the Committee on Homeland Security and Governmental Affairs of the Senate; and~~

~~(ii) the Committee on Oversight and Government Reform of the House of Representatives.~~

~~(B) LIMITATIONS.—The strategic plan submitted under subparagraph (A) shall be consistent with public interest and demand.~~

~~(C) COST SAVINGS PROJECTIONS.—The strategic plan submitted under subparagraph (A) shall include, for each proposed interagency agreement, a projection of cost savings to be realized by the Postal Service and by any other~~

~~Federal agency that is a party to the agreement.~~

~~(h) TERMINATION OF THE COMMISSION.—The Advisory Commission shall terminate 90 days after the later of—~~

~~(1) the date on which the Advisory Commission submits the report on the strategic blueprint for long-term solvency under subsection (f); and~~

~~(2) the date on which the Advisory Commission submits the findings on interagency agreements for post offices under subsection (g).~~

~~(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated out of the Postal Service Fund for fiscal years 2014 and 2015 such sums as may be necessary to carry out this section.~~

~~SEC. 403. LONG-TERM SOLVENCY PLAN; ANNUAL FINANCIAL PLAN AND BUDGET.~~

~~(a) DEFINITIONS.—In this section—~~

~~(1) the term "Board of Governors" means the Board of Governors of the Postal Service;~~

~~(2) the term "long-term solvency plan" means the plan required to be submitted by the Postmaster General under subsection (b)(1); and~~

~~(3) the term "solvency" means the ability of the Postal Service to pay debts and meet expenses, in-~~

~~cluding the ability to perform maintenance and repairs, make investments, and maintain financial reserves, as necessary to fulfill the requirements under, and comply with the policies of, title 39, United States Code, and other obligations of the Postal Service.~~

~~(b) PLAN FOR THE LONG-TERM SOLVENCY OF THE POSTAL SERVICE.—~~

~~(1) SOLVENCY PLAN REQUIRED.—~~

~~(A) IN GENERAL.—Not later than the date described in subparagraph (B), the Postmaster General shall submit to the Board of Governors a plan describing the actions the Postal Service intends to take to achieve long-term solvency.~~

~~(B) DATE.—The date described in this subparagraph is the later of—~~

~~(i) the date that is 90 days after the date of enactment of this Act; and~~

~~(ii) the earliest date as of which the Board of Governors has the number of members required for a quorum.~~

~~(2) CONSIDERATIONS.—The long-term solvency plan shall take into account—~~

~~(A) the legal authority of the Postal Service;~~

~~(B) changes in the legal authority and responsibilities of the Postal Service under this Act and the amendments made by this Act;~~

~~(C) any cost savings that the Postal Service anticipates will be achieved through negotiations with employees of the Postal Service;~~

~~(D) projected changes in mail volume;~~

~~(E) the impact of any regulations that the Postal Service is required to promulgate under Federal law;~~

~~(F) projected changes in the number of employees needed to carry out the responsibilities of the Postal Service; and~~

~~(G) the long-term capital needs of the Postal Service, including the need to maintain, repair, and replace facilities and equipment.~~

~~(3) REVIEW AND SUBMISSION TO CONGRESS.—~~

~~(A) REVIEW.—Upon receipt of the long-term solvency plan, the Board of Governors shall review the long-term solvency plan and may request that the Postmaster General make changes to the long-term solvency plan.~~

~~(B) SUBMISSION TO CONGRESS.—Not later than 60 days after initial receipt of the long-term solvency plan, the Board of Governors~~

~~shall provide a copy of the long-term solvency plan to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives, together with a letter indicating whether and in what respects the Board of Governors agrees or disagrees with the measures set out in the long-term solvency plan.~~

~~(4) UPDATES.—~~

~~(A) ANNUAL UPDATES REQUIRED.—The Postmaster General shall update and submit to the Board of Governors the long-term solvency plan not less frequently than annually for 5 years after the enactment of this Act.~~

~~(B) REVIEW BY BOARD OF GOVERNORS.—The Board of Governors shall review and submit to Congress the updates under this paragraph in accordance with paragraph (3).~~

~~(c) ANNUAL FINANCIAL PLAN AND BUDGET.—~~

~~(1) IN GENERAL.—For each of the first 5 full fiscal years after the date of enactment of this Act, not later than August 1 of the preceding fiscal year, the Postmaster General shall submit to the Board of Governors a financial plan and budget for the fiscal~~

~~year that is consistent with the goal of promoting the long-term solvency of the Postal Service.~~

~~(2) CONTENTS OF FINANCIAL PLAN AND BUDGET.—The financial plan and budget for a fiscal year shall—~~

~~(A) promote the financial stability of the Postal Service and provide for progress towards the long-term solvency of the Postal Service;~~

~~(B) include the annual budget program of the Postal Service under section 2009 of title 39, United States Code, and the plan of the Postal Service commonly referred to as the "Integrated Financial Plan";~~

~~(C) describe lump-sum expenditures by all categories traditionally used by the Postal Service;~~

~~(D) describe capital expenditures, together with a schedule of projected capital commitments and cash outlays of the Postal Service, and proposed sources of funding;~~

~~(E) contain estimates of overall debt (both outstanding and expected to be incurred);~~

~~(F) contain cash flow and liquidity forecasts for the Postal Service at such intervals as the Board of Governors may require;~~

~~(G) include a statement describing methods of estimations and significant assumptions; and~~

~~(H) address any other issues that the Board of Governors considers appropriate.~~

~~(3) PROCESS FOR SUBMISSION AND APPROVAL OF FINANCIAL PLAN AND BUDGET.—~~

~~(A) DEFINITION.—In this paragraph, the term "covered recipient" means—~~

~~(i) the Postmaster General;~~

~~(ii) the President;~~

~~(iii) the Committee on Homeland Security and Governmental Affairs of the Senate; and~~

~~(iv) the Committee on Oversight and Government Reform of the House of Representatives.~~

~~(B) REVIEW BY THE BOARD OF GOVERNORS.—~~

~~(i) IN GENERAL.—Upon receipt of a financial plan and budget under paragraph (1), the Board of Governors shall promptly review the financial plan and budget.~~

~~(ii) ADDITIONAL INFORMATION.—In conducting the review under this subpara-~~

~~graph, the Board of Governors may request any additional information it considers necessary and appropriate to carry out the duties of the Board of Governors.~~

~~(C) APPROVAL OF FINANCIAL PLAN AND BUDGET SUBMITTED BY THE POSTMASTER GENERAL.—If the Board of Governors determines that the financial plan and budget for a fiscal year received under paragraph (1) meets the requirements under paragraph (2) and otherwise adequately addresses the financial situation of the Postal Service—~~

~~(i) the Board of Governors shall approve the financial plan and budget and submit a notice of approval to each covered recipient; and~~

~~(ii) the Postmaster General shall submit the annual budget program for the relevant fiscal year to the Office of Management and Budget in accordance with section 2009 of title 39, United States Code.~~

~~(D) DISAPPROVAL OF FINANCIAL PLAN AND BUDGET SUBMITTED BY THE POSTMASTER GENERAL.—~~

~~(i) IN GENERAL.—If the Board of Governors determines that the financial plan and budget for a fiscal year under paragraph (1) does not meet the requirements under paragraph (2) or is otherwise inadequate in addressing the financial situation of the Postal Service, the Board of Governors shall—~~

~~(I) disapprove the financial plan and budget;~~

~~(II) submit to each covered recipient a statement that describes the reasons for the disapproval;~~

~~(III) direct the Postmaster General to appropriately revise the financial plan and budget for the Postal Service; and~~

~~(IV) submit the revised financial plan and budget to each covered recipient.~~

~~(ii) SUBMISSION TO OFFICE OF MANAGEMENT AND BUDGET.—Upon receipt of a revised financial plan and budget under clause (i)(IV), the Postmaster General shall submit the annual budget program~~

~~for the relevant fiscal year to the Office of Management and Budget in accordance with section 2009 of title 39, United States Code.~~

~~(E) DEADLINE FOR TRANSMISSION OF FINANCIAL PLAN AND BUDGET BY BOARD OF GOVERNORS.—Notwithstanding any other provision of this paragraph, not later than September 30 of the fiscal year that precedes each fiscal year for which a financial plan and budget is required under paragraph (1), the Board of Governors shall—~~

~~(i) submit to each covered recipient a notice of approval under subparagraph (C)(i)(I); or~~

~~(ii) submit to each covered recipient an approved financial plan and budget for the fiscal year under subparagraph (D)(i)(IV).~~

~~(F) REVISIONS TO FINANCIAL PLAN AND BUDGET.—~~

~~(i) PERMITTING POSTMASTER GENERAL TO SUBMIT REVISIONS.—The Postmaster General may submit proposed revisions to the financial plan and budget for~~

~~a fiscal year to the Board of Governors at any time during the fiscal year.~~

~~(ii) PROCESS FOR REVIEW, APPROVAL, DISAPPROVAL, AND POSTMASTER GENERAL ACTION.—The procedures described in subparagraphs (C) through (E) shall apply with respect to a proposed revision to a financial plan and budget in the same manner as such procedures apply with respect to the original financial plan and budget.~~

~~(d) ASSUMPTIONS BASED ON CURRENT LAW.—In preparing the long-term solvency plan or an annual financial plan and budget required under this section, the Postal Service shall base estimates of revenues and expenditures on Federal law as in effect at the time of the preparation of the long-term solvency plan or the financial plan and budget.~~

~~SEC. 404. CHIEF INNOVATION OFFICER; INNOVATION STRATEGY.~~

~~(a) CHIEF INNOVATION OFFICER.—~~

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

1 **~~"§ 209. Chief innovation officer~~**

2 ~~"(a) ESTABLISHMENT.—There shall be in the Postal~~
3 ~~Service a Chief Innovation Officer appointed by the Post-~~
4 ~~master General.~~

5 ~~"(b) QUALIFICATIONS.—The Chief Innovation Offi-~~
6 ~~cer shall have proven expertise and a record of accomplish-~~
7 ~~ment in areas such as—~~

8 ~~"(1) the postal and shipping industry;~~

9 ~~"(2) innovative product research and develop-~~
10 ~~ment;~~

11 ~~"(3) brand marketing strategy;~~

12 ~~"(4) new and emerging technology, including~~
13 ~~communications technology; or~~

14 ~~"(5) business process management.~~

15 ~~"(c) DUTIES.—The Chief Innovation Officer shall~~
16 ~~lead the development and implementation of—~~

17 ~~"(1) innovative postal products and services,~~
18 ~~particularly products and services that use new and~~
19 ~~emerging technology, including communications~~
20 ~~technology, to improve the net financial position of~~
21 ~~the Postal Service; and~~

22 ~~"(2) nonpostal products and services authorized~~
23 ~~under section 404(a)(6) that have the potential to~~
24 ~~improve the net financial position of the Postal Serv-~~
25 ~~ice.~~

1 ~~"(d) DEADLINE.—The Postmaster General shall ap-~~
2 ~~point a Chief Innovation Officer not later than 90 days~~
3 ~~after the date of enactment of the Postal Reform Act of~~
4 ~~2013.".~~

5 ~~(2) TECHNICAL AND CONFORMING AMEND-~~
6 ~~MENT.—The table of sections for chapter 2 of part~~
7 ~~I of title 39, United States Code, is amended by~~
8 ~~adding at the end the following:~~

~~"209. Chief Innovation Officer.".~~

9 ~~(b) INNOVATION STRATEGY.—~~

10 ~~(1) INITIAL REPORT ON INNOVATION STRAT-~~
11 ~~EGY.—~~

12 ~~(A) IN GENERAL.—Not later than 9~~
13 ~~months after the date of enactment of this Act,~~
14 ~~the Postmaster General, acting through the~~
15 ~~Chief Innovation Officer, shall submit a report~~
16 ~~that contains a comprehensive strategy (re-~~
17 ~~ferred to in this subsection as the "innovation~~
18 ~~strategy") for improving the net financial posi-~~
19 ~~tion of the Postal Service through innovation,~~
20 ~~including the offering of new postal and non-~~
21 ~~postal products and services, to—~~

22 ~~(i) the Committee on Homeland Secu-~~
23 ~~rity and Governmental Affairs of the Sen-~~
24 ~~ate; and~~

~~(ii) the Committee on Oversight and Government Reform of the House of Representatives.~~

~~(B) MATTERS TO BE ADDRESSED.—At a minimum, the report on innovation strategy required under subparagraph (A) shall describe—~~

~~(i) the specific innovative postal and nonpostal products and services to be developed and offered by the Postal Service, including—~~

~~(I) the nature of the market demand to be satisfied by each product or service; and~~

~~(II) the estimated date by which each product or service will be introduced;~~

~~(ii) the cost of developing and offering each product or service;~~

~~(iii) the anticipated sales volume for each product or service;~~

~~(iv) the anticipated revenues and profits to be generated by each product or service;~~

~~(v) the likelihood of success of each product or service and the risks associated~~

~~with the development and sale of each product or service;~~

~~(vi) the trends anticipated in market conditions that may affect the success of each product or service during the 5-year period beginning on the date of the submission of the report under subparagraph (A);~~

~~(vii) any innovations designed to improve the net financial position of the Postal Service, other than the offering of new products and services; and~~

~~(viii) the metrics that will be used to assess the effectiveness of the innovation strategy.~~

~~(2) ANNUAL REPORT.—~~

~~(A) IN GENERAL.—Not later than 1 year after the date of the submission of the initial report containing the innovation strategy under paragraph (1), and annually thereafter for 10 years, the Postmaster General, acting through the Chief Innovation Officer, shall submit a report on the implementation of the innovation strategy to—~~

~~(i) the Committee on Homeland Security and Governmental Affairs of the Senate; and~~

~~(ii) the Committee on Oversight and Government Reform of the House of Representatives.~~

~~(B) MATTERS TO BE ADDRESSED.—At a minimum, an annual report submitted under subparagraph (A) shall include—~~

~~(i) an update of the initial report on innovation strategy submitted under paragraph (1);~~

~~(ii) a description of the progress made by the Postal Service in implementing the products, services, and other innovations described in the initial report on innovation strategy; and~~

~~(iii) an analysis of the performance of each product, service, or other innovation described in the initial report on innovation strategy, including—~~

~~(I) the revenue generated by each product or service developed in accordance with the innovation strategy under this section and the cost of de-~~

~~veloping and offering each product or service for the preceding year;~~

~~(II) trends in each market in which a product or service is intended to satisfy a demand;~~

~~(III) each product or service identified in the innovation strategy that is to be discontinued, the date on which each discontinuance will occur, and the reasons for each discontinuance;~~

~~(IV) each alteration that the Postal Service plans to make to a product or service identified in the innovation strategy to address changing market conditions and an explanation of how each alteration will ensure the success of the product or service;~~

~~(V) the performance of innovations other than new products and services that are designed to improve the net financial position of the Postal Service; and~~

~~(VI) the performance of the innovation strategy according to the~~

~~metrics described in paragraph (1)(B)(viii).~~

~~SEC. 405. AREA AND DISTRICT OFFICE STRUCTURE.~~

~~(a) DEFINITIONS.—In this section—~~

~~(1) the term "area office" means the central office of an administrative field unit with responsibility for postal operations in a designated geographic area that is comprised of district offices;~~

~~(2) the term "district office" means the central office of an administrative field unit with responsibility for postal operations in a designated geographic area (as defined under regulations, directives, or other guidance of the Postal Service, as in effect on January 1, 2013); and~~

~~(3) the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States.~~

~~(b) PLAN REQUIRED.—Not later than 1 year after the date of enactment of this Act, the Postal Service shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Rep-~~

~~resentatives a comprehensive strategic plan for an area office and district office structure that will—~~

~~(1) be efficient and cost effective;~~

~~(2) not substantially and adversely affect the operations of the Postal Service; and~~

~~(3) reduce the total number of area and district offices.~~

~~(c) IMPLEMENTATION.—Not later than 60 days after the date on which the Postal Service submits the plan under subsection (b), the Postal Service shall begin implementing the plan, including, where appropriate, by consolidating area and district offices.~~

~~(d) STATE LIAISON.—If the Postal Service does not maintain a district office in a State, the Postal Service shall designate at least 1 employee of the district office responsible for Postal Service operations in the State to represent the needs of Postal Service customers in the State. An employee designated under this subsection to represent the needs of Postal Service customers in a State shall be located in that State.~~

~~SEC. 406. INSPECTOR GENERAL OF THE POSTAL SERVICE.~~

~~(a) APPOINTMENT OF INSPECTOR GENERAL OF THE POSTAL SERVICE BY PRESIDENT.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—~~

~~(1) in section 8G—~~

~~(A) in subsection (a)—~~

~~(i) in paragraph (2), by striking "the Postal Regulatory Commission, and the United States Postal Service" and inserting "and the Postal Regulatory Commission";~~

~~(ii) in paragraph (3), by striking "subsection (h)(1)" and inserting "subsection (g)(1)"; and~~

~~(iii) in paragraph (4)—~~

~~(I) in the matter preceding subparagraph (A), by striking "subsection (h)(1)" and inserting "subsection (g)(1)";~~

~~(II) by striking subparagraph (B); and~~

~~(III) by redesignating subparagraphs (C) through (H) as subparagraphs (B) through (G), respectively;~~

~~(B) in subsection (c), by striking "Except as provided under subsection (f) of this section, the" and inserting "The";~~

~~(C) by striking subsection (f); and~~

~~(D) by redesignating subsections (g) and (h) as subsections (f) and (g), respectively;~~

1 ~~(2) by inserting after section 8M the following:~~
2 **~~"SEC. 8N. SPECIAL PROVISIONS CONCERNING THE INSPEC-~~**
3 **~~TOR GENERAL OF THE UNITED STATES POST-~~**
4 **~~AL SERVICE.~~**
5 ~~"(a) In this section—~~
6 ~~"(1) the term 'Inspector General' means the In-~~
7 ~~spector General of the United States Postal Service;~~
8 ~~and~~
9 ~~"(2) the term 'Governors' has the meaning~~
10 ~~given that term in section 102(3) of title 39, United~~
11 ~~States Code.~~
12 ~~"(b) In carrying out the duties and responsibilities~~
13 ~~specified in this Act, the Inspector General shall have~~
14 ~~oversight responsibility for all activities of the Postal In-~~
15 ~~spection Service, including any internal investigation per-~~
16 ~~formed by the Postal Inspection Service. The Chief Postal~~
17 ~~Inspector shall promptly report the significant activities~~
18 ~~being carried out by the Postal Inspection Service to the~~
19 ~~Inspector General.~~
20 ~~"(c)(1)(A) The Inspector General shall be under the~~
21 ~~authority, direction, and control of the Governors with re-~~
22 ~~spect to audits or investigations, or the issuance of sub-~~
23 ~~poenas, which require access to sensitive information con-~~
24 ~~cerning—~~

1 ~~"(i) ongoing civil or criminal investigations or~~
2 ~~proceedings;~~
3 ~~"(ii) undercover operations;~~
4 ~~"(iii) the identity of confidential sources, in-~~
5 ~~cluding protected witnesses;~~
6 ~~"(iv) intelligence or counterintelligence matters;~~
7 ~~or~~
8 ~~"(v) other matters the disclosure of which~~
9 ~~would constitute a serious threat to national secu-~~
10 ~~rity.~~
11 ~~"(B) With respect to the information described under~~
12 ~~subparagraph (A), the Governors may prohibit the Inspec-~~
13 ~~tor General from carrying out or completing any audit or~~
14 ~~investigation, or from issuing any subpoena, after the In-~~
15 ~~spector General has decided to initiate, carry out, or com-~~
16 ~~plete such audit or investigation or to issue such subpoena,~~
17 ~~if the Governors determine that such prohibition is nec-~~
18 ~~essary to prevent the disclosure of any information de-~~
19 ~~scribed under subparagraph (A) or to prevent the signifi-~~
20 ~~cant impairment to the national interests of the United~~
21 ~~States.~~
22 ~~"(C) If the Governors exercise any power under sub-~~
23 ~~paragraph (A) or (B), the Governors shall notify the In-~~
24 ~~spector General in writing stating the reasons for the exer-~~
25 ~~cise of such power. Not later than 30 days after receipt~~

of any such notice, the Inspector General shall transmit a copy of the notice to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives, and to other appropriate committees or subcommittees of the Congress.

"(2) In carrying out the duties and responsibilities specified in this Act, the Inspector General—

"(A) may initiate, conduct, and supervise such audits and investigations in the United States Postal Service as the Inspector General considers appropriate; and

"(B) shall give particular regard to the activities of the Postal Inspection Service with a view toward avoiding duplication and ensuring effective coordination and cooperation.

"(3) Any report required to be transmitted by the Governors to the appropriate committees or subcommittees of the Congress under section 5(d) shall also be transmitted, within the seven-day period specified under that section, to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives.

1 ~~"(d) Nothing in this Act shall restrict, eliminate, or~~
2 ~~otherwise adversely affect any of the rights, privileges, or~~
3 ~~benefits of either employees of the United States Postal~~
4 ~~Service, or labor organizations representing employees of~~
5 ~~the United States Postal Service, under chapter 12 of title~~
6 ~~39, United States Code, the National Labor Relations Act~~
7 ~~(29 U.S.C. 151 et seq.), any handbook or manual affecting~~
8 ~~employee labor relations with the United States Postal~~
9 ~~Service, or any collective bargaining agreement.~~
10 ~~"(e) There are authorized to be appropriated, out of~~
11 ~~the Postal Service Fund, such sums as may be necessary~~
12 ~~for the Office of Inspector General of the United States~~
13 ~~Postal Service."; and~~
14 ~~(3) in section 12—~~
15 ~~(A) in paragraph (1), by striking "or the~~
16 ~~Federal Cochairpersons of the Commissions es-~~
17 ~~tablished under section 15301 of title 40,~~
18 ~~United States Code" and inserting "the Federal~~
19 ~~Cochairpersons of the Commissions established~~
20 ~~under section 15301 of title 40, United States~~
21 ~~Code; or the Board of Governors of the United~~
22 ~~States Postal Service"; and~~
23 ~~(B) in paragraph (2), by striking "or the~~
24 ~~Commissions established under section 15301~~
25 ~~of title 40, United States Code" and inserting~~

~~"the Commissions established under section 15301 of title 40, United States Code, or the United States Postal Service".~~

~~(b) TECHNICAL AND CONFORMING AMENDMENTS.—Title 39, United States Code, is amended—~~

~~(1) in section 102(4), by striking "section 202(c) of this title" and inserting "section 3 of the Inspector General Act of 1978 (5 U.S.C. App.)";~~

~~(2) in section 1001(b), in the first sentence, by inserting ", and section 3 of the Inspector General Act of 1978 (5 U.S.C. App.)" after "1001(c) of this title"; and~~

~~(3) in section 1005(a)(3), by inserting ", and section 3 of the Inspector General Act of 1978 (5 U.S.C. App.)" after "1001(c) of this title".~~

~~(c) APPLICABILITY.—~~

~~(1) IN GENERAL.—The amendments made by this section shall apply with respect to the first individual appointed as Inspector General of the Postal Service after the date of enactment of this Act.~~

~~(2) RULE OF CONSTRUCTION.—Nothing in this Act may be construed to alter the authority or the length of the term of the individual serving as Inspector General of the Postal Service on the date of enactment of this Act.~~

~~TITLE V—FEDERAL EMPLOYEES' COMPENSATION ACT~~

~~SEC. 501. SHORT TITLE; REFERENCES.~~

~~(a) SHORT TITLE.—This title may be cited as the "Workers' Compensation Reform Act of 2013".~~

~~(b) REFERENCES.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 5, United States Code.~~

~~SEC. 502. FEDERAL WORKERS COMPENSATION REFORMS FOR RETIREMENT-AGE EMPLOYEES.~~

~~(a) CONVERSION OF ENTITLEMENT AT RETIREMENT AGE.—~~

~~(1) DEFINITIONS.—Section 8101 is amended—~~

~~(A) in paragraph (18), by striking "and" at the end;~~

~~(B) in paragraph (19), by striking "and" at the end;~~

~~(C) in paragraph (20), by striking the period at the end and inserting a semicolon; and~~

~~(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 Secu-~~
3 ~~rity 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 com-~~
6 ~~menced before the date of enactment of the Work-~~
7 ~~ers' Compensation Reform Act of 2013;~~
8 ~~"(23) 'covered claim for partial disability'~~
9 ~~means a claim for a period of partial disability that~~
10 ~~commenced before the date of enactment of the~~
11 ~~Workers' Compensation Reform Act of 2013; and~~
12 ~~"(24) 'individual who has an exempt disability~~
13 ~~condition' means an individual—~~
14 ~~"(A) who—~~
15 ~~"(i) is eligible to receive continuous~~
16 ~~periodic compensation for total disability~~
17 ~~under section 8105 on the date of enact-~~
18 ~~ment of the Workers' Compensation Re-~~
19 ~~form Act of 2013; and~~
20 ~~"(ii) meets the criteria under section~~
21 ~~8105(c);~~
22 ~~"(B) who, on the date of enactment of the~~
23 ~~Workers' Compensation Reform Act of 2013—~~

1 ~~"(i) is eligible to receive continuous~~
2 ~~periodic compensation for total disability~~
3 ~~under section 8105; and~~
4 ~~"(ii) has sustained a currently irre-~~
5 ~~versible severe mental or physical disability~~
6 ~~for which the Secretary of Labor has au-~~
7 ~~thorized, for at least the 1-year period end-~~
8 ~~ing on the date of enactment of the Work-~~
9 ~~ers' Compensation Reform Act of 2013,~~
10 ~~constant in-home care or custodial care,~~
11 ~~such as placement in a nursing home; or~~
12 ~~"(C) who is eligible to receive continuous~~
13 ~~periodic compensation for total disability under~~
14 ~~section 8105—~~
15 ~~"(i) for not less than the 3-year pe-~~
16 ~~riod ending on the date of enactment of~~
17 ~~the Workers' Compensation Reform Act of~~
18 ~~2013; or~~
19 ~~"(ii) if the individual became eligible~~
20 ~~to receive continuous periodic compensa-~~
21 ~~tion for total disability under section 8105~~
22 ~~during the period beginning on the date~~
23 ~~that is 3 years before the date of enact-~~
24 ~~ment of the Workers' Compensation Re-~~
25 ~~form Act of 2013 and ending on such date~~

~~of enactment, for not less than the 3-year period beginning on the date on which the individual became eligible.''.~~

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

~~(A) in subsection (a), by striking ''If'' and inserting ''IN GENERAL.—Subject to subsection (b), if'';~~

~~(B) by redesignating subsection (b) as subsection (c); and~~

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

~~''(b) CONVERSION OF ENTITLEMENT AT RETIREMENT AGE.—~~

~~''(1) IN GENERAL.—Except as provided in paragraph (2), the basic compensation for total disability for an employee who has attained retirement age shall be 50 percent of the monthly pay of the employee.~~

~~''(2) EXCEPTIONS.—~~

~~''(A) COVERED RECIPIENTS WHO ARE RETIREMENT AGE, HAVE AN EXEMPT DISABILITY CONDITION, OR FACE FINANCIAL HARDSHIP.—Paragraph (1) shall not apply to a covered~~

~~claim for total disability by an employee if the employee—~~

~~"(i) on the date of enactment of the Workers' Compensation Reform Act of 2013, has attained retirement age;~~

~~"(ii) is an individual who has an exempt disability condition; or~~

~~"(iii) is a member of a household that would meet the income and assets requirements for eligibility for the supplemental nutrition assistance program as described in section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) (not including any provisions permitting eligibility due to benefits received under any other law) if the basic compensation for total disability of the employee were provided in accordance with paragraph (1).~~

~~"(B) TRANSITION PERIOD FOR CERTAIN EMPLOYEES.—For a covered claim for total disability by an employee who is not an employee described in subparagraph (A), the employee shall receive the basic compensation for total disability provided under subsection (a) until the later of—~~

1 ~~"(i) the date on which the employee~~
2 ~~attains retirement age; and~~
3 ~~"(ii) the date that is 3 years after the~~
4 ~~date of enactment of the Workers' Com-~~
5 ~~pensation Reform Act of 2013.".~~
6 ~~(3) PARTIAL DISABILITY.—Section 8106 is~~
7 ~~amended—~~
8 ~~(A) in subsection (a), by striking "If" and~~
9 ~~inserting "IN GENERAL.—Subject to subsection~~
10 ~~(b), if";~~
11 ~~(B) by redesignating subsections (b) and~~
12 ~~(c) as subsections (c) and (d), respectively; and~~
13 ~~(C) by inserting after subsection (a) the~~
14 ~~following:~~
15 ~~"(b) CONVERSION OF ENTITLEMENT AT RETIRE-~~
16 ~~MENT AGE.—~~
17 ~~"(1) IN GENERAL.—Except as provided in para-~~
18 ~~graph (2), the basic compensation for partial dis-~~
19 ~~ability for an employee who has attained retirement~~
20 ~~age shall be 50 percent of the difference between the~~
21 ~~monthly pay of the employee and the monthly wage-~~
22 ~~earning capacity of the employee after the beginning~~
23 ~~of the partial disability.~~
24 ~~"(2) EXCEPTIONS.—~~

1 ~~"(A) COVERED RECIPIENTS WHO ARE RE-~~
2 ~~TIREMENT AGE OR FACE FINANCIAL HARD-~~
3 ~~SHIP.—Paragraph (1) shall not apply to a cov-~~
4 ~~ered claim for partial disability by an employee~~
5 ~~if the employee—~~
6 ~~"(i) on the date of enactment of the~~
7 ~~Workers' Compensation Reform Act of~~
8 ~~2013, has attained retirement age; or~~
9 ~~"(ii) is a member of a household that~~
10 ~~would meet the income and assets require-~~
11 ~~ments for eligibility for the supplemental~~
12 ~~nutrition assistance program as described~~
13 ~~in section 5 of the Food and Nutrition Act~~
14 ~~of 2008 (7 U.S.C. 2014) (not including~~
15 ~~any provisions permitting eligibility due to~~
16 ~~benefits received under any other law) if~~
17 ~~the basic compensation for total disability~~
18 ~~of the employee were provided in accord-~~
19 ~~ance with paragraph (1).~~
20 ~~"(B) TRANSITION PERIOD FOR CERTAIN~~
21 ~~EMPLOYEES.—For a covered claim for partial~~
22 ~~disability by an employee who is not an em-~~
23 ~~ployee described in subparagraph (A), the em-~~
24 ~~ployee shall receive basic compensation for par-~~

~~tial disability in accordance with subsection (a) until the later of—~~

~~"(i) the date on which the employee attains retirement age; and~~

~~"(ii) the date that is 3 years after the date of enactment of the Workers' Compensation Reform Act of 2013.".~~

~~SEC. 503. AUGMENTED COMPENSATION FOR DEPENDENTS.~~

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

~~(1) by redesignating subsection (b) as subsection (c); and~~

~~(2) by inserting after subsection (a) the following:~~

~~"(b) TERMINATION OF AUGMENTED COMPENSATION.—~~

~~"(1) IN GENERAL.—Subject to paragraph (2), augmented compensation for dependants under subsection (c) shall not be provided.~~

~~"(2) EXCEPTIONS.—~~

~~"(A) TOTAL DISABILITY.—For a covered claim for total disability by an employee—~~

~~"(i) the employee shall receive augmented compensation under subsection (c) if the employee is an individual who has an exempt disability condition; and~~

1 ~~"(ii) the employee shall receive aug-~~
2 ~~mented compensation under subsection (c)~~
3 ~~until the date that is 3 years after the date~~
4 ~~of enactment of the Workers' Compensa-~~
5 ~~tion Reform Act of 2013 if the employee is~~
6 ~~not an employee described in clause (i).~~
7 ~~"(B) PARTIAL DISABILITY.—For a covered~~
8 ~~claim for partial disability by an employee, the~~
9 ~~employee shall receive augmented compensation~~
10 ~~under subsection (c) until the date that is 3~~
11 ~~years after the date of enactment of the Work-~~
12 ~~ers' Compensation Reform Act of 2013.~~
13 ~~"(C) PERMANENT DISABILITY COM-~~
14 ~~PENSATED BY A SCHEDULE.—For a claim for a~~
15 ~~permanent disability described in section~~
16 ~~8107(a) by an employee that commenced before~~
17 ~~the date of enactment of the Workers' Com-~~
18 ~~pensation Reform Act of 2013, the employee~~
19 ~~shall receive augmented compensation under~~
20 ~~subsection (c).".~~
21 ~~(b) MAXIMUM AND MINIMUM MONTHLY PAY-~~
22 ~~MENTS.—Section 8112 is amended—~~
23 ~~(1) in subsection (a)—~~
24 ~~(A) by inserting "subsections (b) and (c)~~
25 ~~and" before "section 8138";~~

~~(B) by striking "including augmented compensation under section 8110 of this title but"; and~~

~~(C) by striking "75 percent" each place it appears and inserting "66⅔ percent";~~

~~(2) by redesignating subsection (b) as subsection (c);~~

~~(3) by inserting after subsection (a) the following:~~

~~"(b) EXCEPTIONS.—~~

~~"(1) COVERED DISABILITY CONDITION.—For a covered claim for total disability by an employee, if the employee is an individual who has an exempt disability condition—~~

~~"(A) the monthly rate of compensation for disability that is subject to the maximum and minimum monthly amounts under subsection (a) shall include any augmented compensation under section 8110; and~~

~~"(B) subsection (a) shall be applied by substituting '75 percent' for '66⅔ percent' each place it appears.~~

~~"(2) PARTIAL DISABILITY.—For a covered claim for partial disability by an employee, until the~~

~~date that is 3 years after the date of enactment of the Workers' Compensation Reform Act of 2013—~~

~~"(A) the monthly rate of compensation for disability that is subject to the maximum and minimum monthly amounts under subsection (a) shall include any augmented compensation under section 8110; and~~

~~"(B) subsection (a) shall be applied by substituting '75 percent' for '66⅔ percent' each place it appears."; and~~

~~(4) in subsection (c), as redesignated by paragraph (2), by striking "subsection (a)" and inserting "subsections (a) and (b)".~~

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

~~(1) in subsections (a) and (c), by striking "75 percent" each place it appears and inserting "66⅔ percent (except as provided in subsection (g))"; and~~

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

~~"(g) If the death occurred before the date of enactment of the Workers' Compensation Reform Act of 2013, subsections (a) and (c) shall be applied by substituting '75 percent' for '66⅔ percent' each place it appears.".~~

~~(d) DEATH BENEFITS FOR CIVIL AIR PATROL VOLUNTEERS.—Section 8141 is amended—~~

~~(1) in subsection (b)(2)(B) by striking "75 percent" and inserting "66⅔ percent (except as provided in subsection (c))";~~

~~(2) by redesignating subsection (c) as subsection (d); and~~

~~(3) by inserting after subsection (b) the following:~~

~~"(c) If the death occurred before the date of enactment of the Workers' Compensation Reform Act of 2013, subsection (b)(2)(B) shall be applied by substituting '75 percent' for '66⅔ percent'.".~~

~~SEC. 504. SCHEDULE COMPENSATION PAYMENTS.~~

~~Section 8107 is amended—~~

~~(1) in subsection (a), by striking "at the rate of 66⅔ percent of his monthly pay" and inserting "at the rate specified under subsection (d)"; and~~

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

~~"(d) RATE FOR COMPENSATION.—~~

~~"(1) ANNUAL SALARY.—~~

~~"(A) IN GENERAL.—Except as provided in paragraph (2), the rate under subsection (a) shall be the rate of 66⅔ percent of the annual salary level established under subparagraph (B), in a lump sum equal to the present value (as calculated under subparagraph (C)) of the~~

~~amount of compensation payable under the schedule.~~

~~"(B) ESTABLISHMENT.—~~

~~"(i) IN GENERAL.—The Secretary of Labor shall establish an annual salary for purposes of subparagraph (A) in the amount the Secretary determines will result in the aggregate cost of payments made under this section being equal to what would have been the aggregate cost of payments under this section if the amendments made by section 504 of the Workers' Compensation Reform Act of 2013 had not been enacted.~~

~~"(ii) COST OF LIVING ADJUSTMENT.—The annual salary established under clause (i) shall be increased on March 1 of each year by the amount determined by the Secretary of Labor to represent the percent change in the price index published for December of the preceding year over the price index published for the December of the year prior to the preceding year, adjusted to the nearest one-tenth of 1 percent.~~

1 ~~"(C) PRESENT VALUE.—The Secretary of~~
2 ~~Labor shall calculate the present value for pur-~~
3 ~~poses of subparagraph (A) using a rate of inter-~~
4 ~~est equal to the average market yield for out-~~
5 ~~standing marketable obligations of the United~~
6 ~~States with a maturity of 2 years on the first~~
7 ~~business day of the month in which the com-~~
8 ~~pensation is paid or, in the event that such~~
9 ~~marketable obligations are not being issued on~~
10 ~~such date, at an equivalent rate selected by the~~
11 ~~Secretary of Labor, true discount compounded~~
12 ~~annually.~~
13 ~~"(2) CERTAIN INJURIES.—For an injury that~~
14 ~~occurred before the date of enactment of the Work-~~
15 ~~ers' Compensation Reform Act of 2013, the rate~~
16 ~~under subsection (a) shall be 66⅔ percent of the~~
17 ~~employee's monthly pay.~~
18 ~~"(e) SIMULTANEOUS RECEIPT.—~~
19 ~~"(1) TOTAL DISABILITY.—An employee who re-~~
20 ~~ceives compensation for total disability under section~~
21 ~~8105 may only receive the lump sum of schedule~~
22 ~~compensation under this section in addition to and~~
23 ~~simultaneously with the benefits for total disability~~
24 ~~after the earlier of—~~

~~"(A) the date on which the basic compensation for total disability of the employee becomes 50 percent of the monthly pay of the employee under section 8105(b); or~~

~~"(B) the date on which augmented compensation of the employee terminates under section 8110(b)(2)(A)(ii), if the employee receives such compensation.~~

~~"(2) PARTIAL DISABILITY.—An employee who receives benefits for partial disability under section 8106 may only receive the lump sum of schedule compensation under this section in addition to and simultaneously with the benefits for partial disability after the earlier of—~~

~~"(A) the date on which the basic compensation for partial disability of the employee becomes 50 percent of the difference between the monthly pay of the employee and the monthly wage-earning capacity of the employee after the beginning of the partial disability under section 8106(b); or~~

~~"(B) the date on which augmented compensation of the employee terminates under section 8110(b)(2)(B), if the employee receives such compensation.".~~

~~SEC. 505. VOCATIONAL REHABILITATION.~~

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

~~(1) in subsection (a)—~~

~~(A) by striking "(a) The Secretary of Labor may" and all that follows through "undergo vocational rehabilitation." and inserting the following:~~

~~"(a) IN GENERAL.—~~

~~"(1) DIRECTION.—Except as provided in paragraph (2), not earlier than the date that is 6 months after the date on which an individual eligible for wage-loss compensation under section 8105 or 8106 is injured, or by such other date as the Secretary of Labor determines it would be reasonable under the circumstances for the individual to begin vocational rehabilitation, and if vocational rehabilitation may enable the individual to become capable of more gainful employment, the Secretary of Labor shall direct the individual to participate in developing a comprehensive return to work plan and to undergo vocational rehabilitation at a location a reasonable distance from the residence of the individual.";~~

~~(B) by striking "the Secretary of Health, Education, and Welfare in carrying out the purposes of chapter 4 of title 29" and inserting "the Secretary of Education in carrying out the~~

~~purposes of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.)";~~

~~(C) by striking "under section 32(b)(1) of title 29" and inserting "under section 5 of the Rehabilitation Act of 1973 (29 U.S.C. 704)"; and~~

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

~~"(2) EXCEPTION.—The Secretary of Labor may not direct an individual who has attained retirement age to participate in developing a comprehensive return to work plan or to undergo vocational rehabilitation.";~~

~~(2) by redesignating subsection (b) as subsection (c);~~

~~(3) by inserting after subsection (a) the following:~~

~~"(b) CONTENTS OF RETURN TO WORK PLAN.—A return to work plan developed under subsection (a)—~~

~~"(1) shall—~~

~~"(A) set forth specific measures designed to increase the wage-earning capacity of an individual;~~

~~"(B) take into account the prior training and education of the individual and the train-~~

~~ing, educational, and employment opportunities reasonably available to the individual; and~~

~~"(C) provide that any employment undertaken by the individual under the return to work plan be at a location a reasonable distance from the residence of the individual;~~

~~"(2) may provide that the Secretary will pay out of amounts in the Employees' Compensation Fund reasonable expenses of vocational rehabilitation (which may include tuition, books, training fees, supplies, equipment, and child or dependent care) during the course of the plan; and~~

~~"(3) may not be for a period of more than 2 years, unless the Secretary finds good cause to grant an extension, which may be for not more than 2 years.";~~

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

~~(A) by inserting "COMPENSATION.—" before "Notwithstanding"; and~~

~~(B) by striking ", other than employment undertaken pursuant to such rehabilitation"; and~~

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

~~"(d) ASSISTED REEMPLOYMENT AGREEMENTS.—~~

1 ~~"(1) IN GENERAL.—The Secretary may enter~~
2 ~~into an assisted reemployment agreement with an~~
3 ~~agency or instrumentality of any branch of the Fed-~~
4 ~~eral Government or a State or local government or~~
5 ~~a private employer that employs an individual eligi-~~
6 ~~ble for wage-loss compensation under section 8105~~
7 ~~or 8106 to enable the individual to return to produc-~~
8 ~~tive employment.~~
9 ~~"(2) CONTENTS.—An assisted reemployment~~
10 ~~agreement under paragraph (1)—~~
11 ~~"(A) may provide that the Secretary will~~
12 ~~use amounts in the Employees' Compensation~~
13 ~~Fund to reimburse an employer in an amount~~
14 ~~equal to not more than 100 percent of the com-~~
15 ~~pensation the individual would otherwise receive~~
16 ~~under section 8105 or 8106; and~~
17 ~~"(B) may not be for a period of more than~~
18 ~~3 years.~~
19 ~~"(c) LIST.—To facilitate the hiring of individuals eli-~~
20 ~~gible for wage-loss compensation under section 8105 or~~
21 ~~8106, the Secretary shall provide a list of such individuals~~
22 ~~to the Office of Personnel Management, which the Office~~
23 ~~of Personnel Management shall provide to all agencies and~~
24 ~~instrumentalities of the Federal Government.".~~

1 ~~(b) EMPLOYEES' COMPENSATION FUND.—Section~~
2 ~~8147 is amended by adding at the end:~~
3 ~~"(d) Notwithstanding subsection (b), any benefits or~~
4 ~~other payments paid to or on behalf of an employee under~~
5 ~~this subchapter or any extension or application thereof for~~
6 ~~a recurrence of injury, consequential injury, aggravation~~
7 ~~of injury, or increase in percentage of impairment to a~~
8 ~~member for which compensation is provided under the~~
9 ~~schedule under section 8107 suffered in a permanent posi-~~
10 ~~tion with an agency or instrumentality of the United~~
11 ~~States while the employment with the agency or instru-~~
12 ~~mentality is covered under an assisted reemployment~~
13 ~~agreement entered into under section 8104(d) shall not~~
14 ~~be included in total cost of benefits and other payments~~
15 ~~in the statement provided to the agency or instrumentality~~
16 ~~under subsection (b) if the injury was originally incurred~~
17 ~~in a position not covered by an assisted reemployment~~
18 ~~agreement.".~~
19 ~~(c) TERMINATION OF VOCATIONAL REHABILITATION~~
20 ~~REQUIREMENT AFTER RETIREMENT AGE.—Section~~
21 ~~8113(b) is amended by adding at the end the following:~~
22 ~~"An individual who has attained retirement age may not~~
23 ~~be required to undergo vocational rehabilitation.".~~

1 ~~(d) MANDATORY BENEFIT REDUCTION FOR NON-~~
2 ~~COMPLIANCE.—Section 8113(b) is amended by striking~~
3 ~~"may reduce" and inserting "shall reduce".~~
4 ~~(e) TECHNICAL AND CONFORMING AMENDMENTS.—~~
5 ~~(1) IN GENERAL.—Subchapter III of chapter~~
6 ~~15 of title 31, United States Code, is amended by~~
7 ~~adding at the end the following:~~
8 **~~"§ 1538. Authorization for assisted reemployment~~**
9 ~~"Funds may be transferred from the Employees'~~
10 ~~Compensation Fund established under section 8147 of~~
11 ~~title 5 to the applicable appropriations account for an~~
12 ~~agency or instrumentality of any branch of the Federal~~
13 ~~Government for the purposes of reimbursing the agency~~
14 ~~or instrumentality in accordance with an assisted reem-~~
15 ~~ployment agreement entered into under section 8104 of~~
16 ~~title 5.".~~
17 ~~(2) TABLE OF SECTIONS.—The table of sections~~
18 ~~for chapter 15 of title 31, United States Code, is~~
19 ~~amended by inserting after the item relating to sec-~~
20 ~~tion 1537 the following:~~

~~"1538. Authorization for assisted reemployment.".~~

21 **~~SEC. 506. REPORTING REQUIREMENTS.~~**
22 ~~(a) IN GENERAL.—Chapter 81 is amended by insert-~~
23 ~~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. 507. DISABILITY MANAGEMENT REVIEW; INDE-~~**
12 **~~PENDENT MEDICAL EXAMINATIONS.~~**
13 ~~Section 8123 is amended by adding at the end the~~
14 ~~following:~~
15 ~~"(c) 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~~

~~the agency or instrumentality has a reasonable basis for not providing the materials.~~

~~"(D) EXAMINATION.—If the Secretary of Labor receives a request under this paragraph before an employee has undergone an initial physical examination under paragraph (4)(B)(i), the Secretary shall promptly require the physical examination of the employee. A physical examination under this subparagraph shall satisfy the requirement under paragraph (4)(B)(i) that an initial physical examination be conducted.~~

~~"(E) AFTER INITIAL EXAMINATION.—~~

~~"(i) IN GENERAL.—If the Secretary of Labor receives a request under this paragraph after an employee has undergone an initial physical examination under paragraph (4)(B)(i), the Secretary shall—~~

~~"(I) review the request and the information, explanation, and other materials submitted with the request; and~~

~~"(II) determine whether to require the physical examination of the~~

~~employee who is the subject of the request.~~

~~"(ii) NOT GRANTED.—If the Secretary determines not to grant a request described in clause (i), the Secretary shall promptly notify the officer who made the request and provide an explanation of the reasons why the request was denied.".~~

~~SEC. 508. WAITING PERIOD.~~

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

~~(1) in the section heading, by striking "**Time of accrual of right**" and inserting "**Waiting period**";~~

~~(2) in subsection (a)—~~

~~(A) in the matter preceding paragraph (1), by striking "An employee" and all that follows through "is not entitled" and inserting "IN GENERAL.—An employee is not entitled to continuation of pay within the meaning of section 8118 for the first 3 days of temporary disability or, if section 8118 does not apply, is not entitled";~~

~~(B) in paragraph (1), by adding "or" at the end;~~

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

~~(D) by redesignating paragraph (3) as paragraph (2); and~~

~~(3) in subsection (b)—~~

~~(A) by striking "A Postal Service" the first place it appears and all that follows through "A Postal Service" the second place it appears and inserting "USE OF LEAVE.—An";~~

~~(B) by striking "that 3-day period" and inserting "the first 3 days of temporary disability"; and~~

~~(C) by striking "or is followed by permanent disability".~~

~~(b) CONTINUATION OF PAY.—Section 8118 is amended—~~

~~(1) in the section heading, by striking "~~**; election to use annual or sick leave**~~";~~

~~(2) in subsection (b)(1), by striking "section 8117(b)" and inserting "section 8117";~~

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

~~(4) by redesignating subsection (d) as subsection (c).~~

~~(c) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for chapter 81 is amended by striking the items relating to sections 8117 and 8118 and inserting the following:~~

~~"8117. Waiting period.~~
~~"8118. Continuation of pay.".~~

1 ~~**SEC. 509. 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, which shall be a rea-~~
16 ~~sonable period after the individual has received~~
17 ~~notice of a final determination that the indi-~~
18 ~~vidual is entitled to compensation benefits pay-~~
19 ~~able under this subchapter.~~

20 ~~"(B) REVOCABILITY.—An election under~~
21 ~~paragraph (1) shall be revocable, notwith-~~
22 ~~standing any other provision of law, except for~~
23 ~~any period during which an individual—~~

1 ~~"(i) was qualified for benefits payable~~
2 ~~under both this subchapter and under a re-~~
3 ~~tirement system described in paragraph~~
4 ~~(1); and~~
5 ~~"(ii) was paid benefits under the re-~~
6 ~~tirement system after having been notified~~
7 ~~of eligibility for benefits under this sub-~~
8 ~~chapter.~~
9 ~~"(3) INFORMED CHOICE.—The Secretary of~~
10 ~~Labor shall provide information, and shall ensure~~
11 ~~that information is provided, to an individual de-~~
12 ~~scribed in paragraph (1) about the benefits available~~
13 ~~to the individual under this subchapter or under~~
14 ~~chapter 83 or 84 or any other retirement system re-~~
15 ~~ferred to in paragraph (1) the individual may elect~~
16 ~~to receive.".~~
17 ~~(b) TECHNICAL AND CONFORMING AMENDMENTS.—~~
18 ~~Sections 8337(f)(3) and 8464a(a)(3) are each amended by~~
19 ~~striking "Paragraphs" and inserting "Except as provided~~
20 ~~under chapter 81, paragraphs".~~
21 **~~SEC. 510. SANCTION FOR NONCOOPERATION WITH FIELD~~**
22 **~~NURSES.~~**
23 ~~Section 8123, as amended by section 507, is amended~~
24 ~~by adding at the end the following:~~
25 ~~"(f) FIELD NURSES.—~~

1 ~~"(1) DEFINITION.—In this subsection, the term~~
2 ~~'field nurse' means a registered nurse that assists~~
3 ~~the Secretary in the medical management of dis-~~
4 ~~ability claims under this subchapter and provides~~
5 ~~claimants with assistance in coordinating medical~~
6 ~~care.~~
7 ~~"(2) AUTHORIZATION.—The Secretary may use~~
8 ~~field nurses to coordinate medical services and voca-~~
9 ~~tional rehabilitation programs for injured employees~~
10 ~~under this subchapter. If an employee refuses to co-~~
11 ~~operate with a field nurse or obstructs a field nurse~~
12 ~~in the performance of duties under this subchapter,~~
13 ~~the right to compensation under this subchapter~~
14 ~~shall be suspended until the refusal or obstruction~~
15 ~~stops.".~~
16 **~~SEC. 511. SUBROGATION OF CONTINUATION OF PAY.~~**
17 ~~(a) IN GENERAL.—Section 8131 is amended—~~
18 ~~(1) in subsection (a), in the matter preceding~~
19 ~~paragraph (1), by inserting "continuation of pay or"~~
20 ~~before "compensation";~~
21 ~~(2) in subsection (b), by inserting "continuation~~
22 ~~of pay or" before "compensation"; and~~
23 ~~(3) in subsection (c)—~~
24 ~~(A) by inserting "continuation of pay or"~~
25 ~~before "compensation already paid"; and~~

~~(B) by inserting "continuation of pay or" before "compensation payable".~~

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

~~(1) in the first sentence—~~

~~(A) by inserting "continuation of pay or" before "compensation is payable";~~

~~(B) by inserting "continuation of pay or" before "compensation from the United States";~~

~~(C) by striking "by him or in his behalf" and inserting "by the beneficiary or on behalf of the beneficiary";~~

~~(D) by inserting "continuation of pay and" before "compensation paid by the United States"; and~~

~~(E) by striking "compensation payable to him" and inserting "continuation of pay or compensation payable to the beneficiary";~~

~~(2) in the second sentence, by striking "his designee" and inserting "the designee of the beneficiary"; and~~

~~(3) in the fourth sentence, by striking "If compensation" and all that follows through "payable to him by the United States" and inserting "If continuation of pay or compensation has not been paid~~

~~to the beneficiary, the money or property shall be credited against continuation of pay or compensation payable to the beneficiary by the United States''.~~

~~(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date of enactment of this Act.~~

~~SEC. 512. INTEGRITY AND COMPLIANCE.~~

~~(a) IN GENERAL.—Subchapter I of chapter 81 is amended by adding at the end the following:~~

~~''§ 8153. Integrity and Compliance Program~~

~~''(a) DEFINITIONS.—In this section—~~

~~''(1) the term 'FECA program' means the Federal Employees Compensation Program administered under this subchapter;~~

~~''(2) the term 'improper payment' has the meaning given that term in section 2(g) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note);~~

~~''(3) the term 'Inspector General'—~~

~~''(A) means an Inspector General described in subparagraph (A), (B), or (I) of section 11(b)(1) of the Inspector General Act of 1978 (5 U.S.C. App.); and~~

1 ~~"(B) does not include the Inspector Gen-~~
2 ~~eral of an entity having no employees covered~~
3 ~~under the FECA program;~~
4 ~~"(4) the term 'Integrity and Compliance Pro-~~
5 ~~gram' means the Integrity and Compliance Program~~
6 ~~established under subsection (b);~~
7 ~~"(5) the term 'provider' means a provider of~~
8 ~~medical or other services under the FECA program;~~
9 ~~"(6) the term 'Secretary' means the Secretary~~
10 ~~of Labor; and~~
11 ~~"(7) the term 'Task Force' means the FECA~~
12 ~~Integrity and Compliance Task Force established~~
13 ~~under subsection (c)(2)(A).~~
14 ~~"(b) INTEGRITY AND COMPLIANCE PROGRAM.—Not~~
15 ~~later than 270 days after the date of enactment of this~~
16 ~~section, the Secretary shall establish an Integrity and~~
17 ~~Compliance Program for the purpose of preventing, identi-~~
18 ~~fying, and recovering fraudulent and other improper pay-~~
19 ~~ments for the FECA program, which shall include—~~
20 ~~"(1) procedures for identifying potentially im-~~
21 ~~proper payments before payment is made to claim-~~
22 ~~ants and providers, including, where appropriate,~~
23 ~~predictive analytics;~~

1 ~~"(2) reviews after payment is made to identify~~
2 ~~potentially improper payments to claimants and pro-~~
3 ~~viders;~~
4 ~~"(3) on-going screening and verification proce-~~
5 ~~dures to ensure the continued eligibility of medical~~
6 ~~providers to provide services under the FECA pro-~~
7 ~~gram, including licensure, Federal disbarment, and~~
8 ~~the existence of relevant criminal convictions;~~
9 ~~"(4) provision of appropriate information, edu-~~
10 ~~cation, and training to claimants and providers on~~
11 ~~requirements to ensure the integrity of the FECA~~
12 ~~program, including payments under the FECA pro-~~
13 ~~gram;~~
14 ~~"(5) appropriate controls and audits to ensure~~
15 ~~that providers adopt internal controls and proce-~~
16 ~~dures for compliance with requirements under the~~
17 ~~FECA 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 information in~~
23 ~~databases relating to claimants to ensure accu-~~
24 ~~racy and completeness; and~~

1 ~~"(7) sharing and accessing data and informa-~~
2 ~~tion with other agencies and instrumentalities of the~~
3 ~~United States, including the United States Postal~~
4 ~~Service.~~
5 ~~"(c) INTERAGENCY COOPERATION ON ANTI-FRAUD~~
6 ~~EFFORTS.—~~
7 ~~"(1) IN GENERAL.—In administering the~~
8 ~~FECA program, including the Integrity and Compli-~~
9 ~~ance Program, the Secretary shall cooperate with~~
10 ~~other agencies and instrumentalities of the United~~
11 ~~States (including the United States Postal Service)~~
12 ~~and the Inspectors General of such agencies and in-~~
13 ~~strumentalities to prevent, identify, and recover~~
14 ~~fraudulent and other improper payments under the~~
15 ~~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.~~
20 ~~"(B) MEMBERSHIP.—The members of the~~
21 ~~Task Force shall be—~~
22 ~~"(i) the Secretary, who shall serve as~~
23 ~~the Chairperson of the Task Force;~~

1 ~~"(ii) the Postmaster General, who~~
2 ~~shall serve as the Vice Chairperson of the~~
3 ~~Task Force;~~
4 ~~"(iii) the Attorney General;~~
5 ~~"(iv) the Director of the Office of~~
6 ~~Management and Budget; and~~
7 ~~"(v) other appropriate Federal offi-~~
8 ~~cials, as determined by the Chairperson~~
9 ~~and Vice Chairperson of the Task Force.~~
10 ~~"(C) ADVISORY MEMBERS.—The following~~
11 ~~officials shall attend meetings of the Task~~
12 ~~Force and participate as ad hoc, advisory mem-~~
13 ~~bers, to provide technical assistance and guid-~~
14 ~~ance to the Task Force with respect to the du-~~
15 ~~ties of the Task Force:~~
16 ~~"(i) The Inspector General of the De-~~
17 ~~partment of Labor.~~
18 ~~"(ii) The Inspector General of the~~
19 ~~United States Postal Service.~~
20 ~~"(iii) The Inspectors General of other~~
21 ~~appropriate agencies and instrumentalities~~
22 ~~of the United States that employ a signifi-~~
23 ~~cant number of individuals receiving com-~~
24 ~~pensation, benefits, or services under the~~

1 ~~FECA program, as determined by the~~
2 ~~Chairperson of the Task Force.~~
3 ~~"(D) DUTIES.—The Task Force shall—~~
4 ~~"(i) set forth, in writing, a description~~
5 ~~of the respective roles and responsibilities~~
6 ~~in preventing, identifying, recovering, and~~
7 ~~prosecuting fraud under, and otherwise en-~~
8 ~~suring integrity and compliance of, the~~
9 ~~FECA program of—~~
10 ~~"(I) the Secretary (including sub-~~
11 ~~ordinate officials such as the Director~~
12 ~~of the Office of Workers' Compensa-~~
13 ~~tion Programs);~~
14 ~~"(II) the Inspector General of~~
15 ~~the Department of Labor;~~
16 ~~"(III) the Inspectors General of~~
17 ~~agencies and instrumentalities of the~~
18 ~~United States that employ claimants~~
19 ~~under the FECA program;~~
20 ~~"(IV) the Attorney General; and~~
21 ~~"(V) any other relevant officials;~~
22 ~~"(ii) develop procedures for sharing~~
23 ~~information of possible fraud under the~~
24 ~~FECA program or other intentional~~
25 ~~misstatements by claimants or providers~~

~~under the FECA program, including procedures addressing—~~

~~"(I) notification of appropriate officials of the Department of Labor of potential fraud or other intentional misstatements, including provision of supporting information;~~

~~"(II) timely and appropriate response by officials of the Department of Labor to notifications described in subclause (I);~~

~~"(III) the inclusion of information and evidence relating to fraud and other intentional misstatements in criminal, civil, and administrative proceedings relating to the provision of compensation, benefits, or medical services (including payments to providers) under the FECA program;~~

~~"(IV) the coordination of criminal investigations with the administration of the FECA program; and~~

~~"(V) the protection of information relating to an investigation of possible fraud under the FECA pro-~~

~~gram from potential disclosure, including requirements that enable investigative files to be appropriately separated from case management files; and~~

~~"(iii) not later than 1 year after the date of enactment of this section, submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform and the Committee on Education and the Workforce of the House of Representatives a report that includes the description and procedures required under clauses (i) and (ii).~~

~~"(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to limit or restrict any authority of an Inspector General.~~

~~"(d) IMPROVEMENTS TO ACCESS OF FEDERAL DATABASES.—~~

~~"(1) IN GENERAL.—In order to improve compliance with the requirements under and the integrity of the FECA program, or as required to otherwise detect and prevent improper payments under the FECA program (including for purposes of computer~~

~~matching under subsection (c)(1)(D)), upon written request—~~

~~"(A) the Commissioner of Social Security shall make available to the Secretary, the Postmaster General, and each Inspector General the Social Security earnings information of a living or deceased employee;~~

~~"(B) the Director of the Office of Personnel Management shall make available to the Secretary, the Postmaster General, and each Inspector General the information in the databases of Federal employees and retirees maintained by the Director; and~~

~~"(C) the Secretary of Veterans Affairs shall make available to the Secretary, the Postmaster General, and each Inspector General the information in the database of disabled individuals maintained by the Secretary of Veterans Affairs.~~

~~"(2) NATIONAL DIRECTORY OF NEW HIRES.—Upon written request, the Secretary of Health and Human Services shall make available to the Secretary, the Postmaster General, each Inspector General, and the Comptroller General of the United States the information in the National Directory of~~

~~New Hires for purposes of carrying out this subchapter, in order to improve compliance with the requirements under and the integrity of the FECA program, or as required to otherwise detect and prevent improper payments under the FECA program (including for purposes of computer matching under subsection (e)(1)(D)). The Comptroller General may obtain information from the National Directory of New Hires for purposes of any audit, evaluation, or investigation, including any audit, evaluation, or investigation relating to program integrity.~~

~~"(3) PROCEDURES.—The Secretary shall establish procedures for correlating the identity and status of recipients of compensation, benefits, or services under this subchapter with Social Security earnings information described in paragraph (1)(A).~~

~~"(4) PROVISION.—Information requested under this subsection shall be provided—~~

~~"(A) in a timely manner;~~

~~"(B) at a reasonable cost to the Secretary, the Postmaster General, or an Inspector General;~~

~~"(C) without cost to the Comptroller General of the United States; and~~

1 ~~"(D) in the manner, frequency, and form~~
2 ~~reasonably specified by the officer making the~~
3 ~~request, which, upon request, shall include elec-~~
4 ~~tronic form.~~
5 ~~"(5) ASSESSMENT OF DATA COST-EFFECTIVE-~~
6 ~~NESS.—~~
7 ~~"(A) IN GENERAL.—The Secretary shall~~
8 ~~consider and assess procedures for correlating~~
9 ~~the identity and status of recipients of com-~~
10 ~~pensation, benefits, or services under this sub-~~
11 ~~chapter with information relating to employees,~~
12 ~~retirees, and individuals described in subpara-~~
13 ~~graphs (B) and (C) of paragraph (1) and para-~~
14 ~~graph (2).~~
15 ~~"(B) REPORT.—Not later than 1 year~~
16 ~~after the date of enactment of this section, the~~
17 ~~Secretary shall submit to the Committee on~~
18 ~~Homeland Security and Governmental Affairs~~
19 ~~of the Senate and the Committee on Oversight~~
20 ~~and Government Reform and the Committee on~~
21 ~~Education and the Workforce of the House of~~
22 ~~Representatives a report on the cost-effective-~~
23 ~~ness of the use of the databases described in~~
24 ~~subparagraphs (B) and (C) of paragraph (1)~~
25 ~~and paragraph (2) for program compliance and~~

~~integrity. The report required under this subparagraph may be included as part of the report required under subsection (f).~~

~~"(6) UNITED STATES POSTAL SERVICE FECA ENROLLEE DATABASE.—Not later than 180 days after the date of enactment of this section, in order to track, verify, and communicate with the Secretary and other relevant entities, the Postmaster General shall establish an electronic database of information relating to employees of the United States Postal Service who have applied for or are receiving compensation, benefits, or services under this subchapter.~~

~~"(7) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to limit the authority of the Comptroller General of the United States under section 716 of title 31.~~

~~"(e) GENERAL PROTOCOLS AND SECURITY.—~~

~~"(1) ESTABLISHMENT.—~~

~~"(A) IN GENERAL.—In order to ensure strong information security and privacy standards, the Task Force shall establish protocols for the secure transfer and storage of any information provided to an individual or entity under this section.~~

1 ~~"(B) CONSIDERATIONS.—In establishing~~
2 ~~protocols under subparagraph (A), the Task~~
3 ~~Force shall consider any recommendations sub-~~
4 ~~mitted to the Secretary by the Inspector Gen-~~
5 ~~eral of the Department of Health and Human~~
6 ~~Services with respect to the secure transfer and~~
7 ~~storage of information, and to comply with pri-~~
8 ~~vacy laws and best practices.~~
9 ~~"(C) FRAUD CASE PROTECTION.—The~~
10 ~~Task Force shall establish protocols and proce-~~
11 ~~dures to enable information and materials relat-~~
12 ~~ing to an active investigation of possible fraud~~
13 ~~relating to the FECA program to be appro-~~
14 ~~priately kept separate from the files for employ-~~
15 ~~ees relating to the provision of compensation,~~
16 ~~benefits, or services under the FECA program.~~
17 ~~"(D) COMPUTER MATCHING BY FEDERAL~~
18 ~~AGENCIES FOR PURPOSES OF INVESTIGATION~~
19 ~~AND PREVENTION OF IMPROPER PAYMENTS~~
20 ~~AND FRAUD.—~~
21 ~~"(i) IN GENERAL.—Except as pro-~~
22 ~~vided in this subparagraph, in accordance~~
23 ~~with section 552a (commonly known as the~~
24 ~~Privacy Act of 1974), the Secretary, the~~
25 ~~Postmaster General, each Inspector Gen-~~

~~eral, and the head of each agency may enter into computer matching agreements that allow ongoing data matching (which shall include automated data matching) in order to assist in the detection and prevention of improper payments under the FECA program.~~

~~"(ii) REVIEW.—Not later than 60 days after a proposal for an agreement under clause (i) has been presented to a Data Integrity Board established under section 552a(u) for consideration, the Data Integrity Board shall approve or deny the agreement.~~

~~"(iii) TERMINATION DATE.—An agreement under clause (i)—~~

~~"(I) shall have a termination date of less than 3 years; and~~

~~"(II) during the 3-month period ending on the date on which the agreement is scheduled to terminate, may be renewed by the agencies entering the agreement for not more than 3 years.~~

1 ~~"(iv) MULTIPLE AGENCIES.—For pur-~~
2 ~~poses of this subparagraph, section~~
3 ~~552a(o)(1) shall be applied by substituting~~
4 ~~'between the source agency and the recipi-~~
5 ~~ent agency or non-Federal agency or an~~
6 ~~agreement governing multiple agencies' for~~
7 ~~'between the source agency and the recipi-~~
8 ~~ent agency or non-Federal agency' in the~~
9 ~~matter preceding subparagraph (A).~~
10 ~~"(v) COST-BENEFIT ANALYSIS.—An~~
11 ~~agreement under clause (i) may be entered~~
12 ~~without regard to section 552a(o)(1)(B),~~
13 ~~relating to a cost-benefit analysis of the~~
14 ~~proposed matching program.~~
15 ~~"(vi) GUIDANCE BY THE OFFICE OF~~
16 ~~MANAGEMENT AND BUDGET.—Not later~~
17 ~~than 6 months after the date of enactment~~
18 ~~of the Workers' Compensation Reform Act~~
19 ~~of 2013, and in consultation with the~~
20 ~~Council of Inspectors General on Integrity~~
21 ~~and Efficiency, the Secretary of Health~~
22 ~~and Human Services, the Commissioner of~~
23 ~~Social Security, and the head of any other~~
24 ~~relevant agency, the Director of the Office~~
25 ~~of Management and Budget shall—~~

1 ~~"(I) issue guidance for agencies~~
2 ~~regarding implementing this subpara-~~
3 ~~graph, which shall include standards~~
4 ~~for reimbursement costs, when nec-~~
5 ~~essary, between agencies; and~~
6 ~~"(II) establish standards and de-~~
7 ~~velop standard matching agreements~~
8 ~~for the purpose of improving the proc-~~
9 ~~ess for establishing data use or com-~~
10 ~~puter matching agreements.~~
11 ~~"(2) COMPLIANCE.—The Secretary, the Post-~~
12 ~~master General, and each Inspector General shall~~
13 ~~ensure that any information provided to an indi-~~
14 ~~vidual or entity under this section is provided in ac-~~
15 ~~cordance with protocols established under paragraph~~
16 ~~(1).~~
17 ~~"(3) RULE OF CONSTRUCTION.—Nothing in~~
18 ~~this section shall be construed to affect the rights of~~
19 ~~an individual under section 552a(p).~~
20 ~~"(f) REPORT.—Not later than 1 year after the date~~
21 ~~of enactment of this section, and annually thereafter for~~
22 ~~5 years, the Secretary shall submit a report on the activi-~~
23 ~~ties of the Secretary under this section, including imple-~~
24 ~~mentation of the Integrity and Compliance Program, to—~~

1 ~~"(1) the Committee on Homeland Security and~~
2 ~~Governmental Affairs of the Senate; and~~
3 ~~"(2) the Committee on Oversight and Govern-~~
4 ~~ment Reform and the Committee on Education and~~
5 ~~the Workforce of the House of Representatives.~~
6 ~~"(g) GAO REVIEW.—The Comptroller General of the~~
7 ~~United States shall—~~
8 ~~"(1) conduct periodic reviews of the Integrity~~
9 ~~and Compliance Program; and~~
10 ~~"(2) submit reports on the results of the re-~~
11 ~~views under paragraph (1) to the Committee on~~
12 ~~Homeland Security and Governmental Affairs of the~~
13 ~~Senate and the Committee on Oversight and Govern-~~
14 ~~ment Reform and the Committee on Education and~~
15 ~~the Workforce of the House of Representatives not~~
16 ~~later than—~~
17 ~~"(A) 2 years after the date of enactment~~
18 ~~of this section; and~~
19 ~~"(B) 3 years after submission of the report~~
20 ~~under subparagraph (A).".~~
21 ~~(b) TECHNICAL AND CONFORMING AMENDMENT.—~~
22 ~~The table of sections for chapter 81 is amended by insert-~~
23 ~~ing after the item relating to section 8152 the following:~~
~~"8153. Integrity and Compliance Program.".~~

~~(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date of enactment of this Act.~~

~~SEC. 513. AMOUNT OF COMPENSATION.~~

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

~~(1) by striking "not to exceed $3,500" and inserting "in proportion to the severity of the disfigurement, not to exceed $50,000,"; and~~

~~(2) by adding at the end the following: "The maximum amount of compensation under this paragraph shall be increased on March 1 of each year by the amount determined by the Secretary of Labor to represent the percent change in the price index published for December of the preceding year over the price index published for the December of the year prior to the preceding year, adjusted to the nearest one-tenth of 1 percent.".~~

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

~~(1) by striking "$800" and inserting "$6,000"; and~~

~~(2) by adding at the end the following: "The maximum amount of compensation under this subsection shall be increased on March 1 of each year~~

~~by the amount determined by the Secretary of Labor to represent the percent change in the price index published for December of the preceding year over the price index published for the December of the year prior to the preceding year, adjusted to the nearest one-tenth of 1 percent.''.~~

~~(c) APPLICATION.—The amendments made by this section shall apply to injuries or deaths, respectively, occurring on or after the date of enactment of this Act.~~

~~SEC. 514. TERRORISM INJURIES; ZONES OF ARMED CONFLICT.~~

~~(a) COVERING TERRORISM INJURIES.—Section 8102(b) is amended in the matter preceding paragraph (1)—~~

~~(1) by inserting ''or from an attack by a terrorist or terrorist organization, either known or unknown,'' after ''force or individual,''; and~~

~~(2) by striking ''outside'' and all that follows through ''1979)'' and inserting ''outside of the United States''.~~

~~(b) CONTINUATION OF PAY IN A ZONE OF ARMED CONFLICT.—Section 8118, as amended by section 508(b) of this Act, is amended—~~

~~(1) in subsection (b), by striking "Continuation" and inserting "Except as provided under subsection (d)(2), continuation";~~

~~(2) in subsection (c), as redesignated by section 508(b)(4) of this Act, by striking "subsection (a)" and inserting "subsection (a) or (d)"; and~~

~~(3) inserting before subsection (c) the following:~~

~~"(d) CONTINUATION OF PAY IN A ZONE OF ARMED CONFLICT.—~~

~~"(1) IN GENERAL.—Notwithstanding subsection (a), the United States shall authorize the continuation of pay of an employee described in subparagraph (A), (C), (D), or (F) of section 8101(1), who—~~

~~"(A) files a claim for a period of wage loss due to an injury in performance of duty in a zone of armed conflict (as determined by the Secretary of Labor under paragraph (3)); and~~

~~"(B) files the claim for such wage loss benefit with the immediate superior of the employee not later than 45 days after the later of—~~

~~"(i) the termination of the assignment of the employee to the zone of armed conflict; or~~

~~"(ii) the return of the employee to the United States.~~

~~"(2) CONTINUATION OF PAY.—Notwithstanding subsection (b), continuation of pay under this subsection shall be furnished for a period not to exceed 135 days without any break in time or waiting period, unless controverted under regulations prescribed by the Secretary of Labor.~~

~~"(3) DETERMINATION OF ZONES OF ARMED CONFLICT.—For purposes of this subsection, the Secretary of Labor, in consultation with the Secretary of State and the Secretary of Defense, shall determine whether a foreign country or other foreign geographic area outside of the United States (as defined in section 202(a)(7) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4302(a)(7)) is a zone of armed conflict based on whether—~~

~~"(A) the Armed Forces of the United States are involved in hostilities in the country or area;~~

~~"(B) the incidence of civil insurrection, civil war, terrorism, or wartime conditions threatens physical harm or imminent danger to~~

~~the health or well-being of United States civilian employees in the country or area;~~

~~"(C) the country or area has been designated a combat zone by the President under section 112(c) of the Internal Revenue Code of 1986;~~

~~"(D) a contingency operation involving combat operations directly affects civilian employees in the country or area; or~~

~~"(E) there exist other relevant conditions and factors.".~~

~~SEC. 515. TECHNICAL AND CONFORMING AMENDMENTS.~~

~~Chapter 81 is amended—~~

~~(1) in section 8101(1)(D), by inserting "for an injury that occurred before the effective date of section 204(c) of the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93–198; 87 Stat. 783; 5 U.S.C. 8101 note)" before the semicolon;~~

~~(2) in section 8139, by inserting "under this subchapter" after "Compensation awarded"; and~~

~~(3) in section 8148(a), by striking "section 8106" and inserting "section 8106a".~~

SEC. 516. REGULATIONS.

(a) IN GENERAL.—As soon as possible after the date of enactment of this Act, the Secretary of Labor shall promulgate regulations (which may include interim final regulations) to carry out this title.

(b) CONTENTS.—The regulations promulgated under subsection (a) shall include, for purposes of the amendments made by sections 502 and 503, clarification of—

(1) what is a claim; and

(2) what is the date on which a period of disability, for which a claim is made, commences.

SEC. 517. EFFECTIVE DATE.

Except as otherwise provided in this title, this title and the amendments made by this title shall take effect 60 days after the date of enactment of this Act.

TITLE VI—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF REAL PROPERTY

SEC. 601. SHORT TITLE.

This title may be cited as the "Federal Real Property Asset Management Reform Act of 2013".

SEC. 602. PURPOSE.

The purpose of this title is to increase the efficiency and effectiveness of the Federal Government in managing real property by—

~~(1) requiring agencies to maintain an up-to-date inventory of real property;~~

~~(2) establishing a Federal Real Property Council to develop guidance on and ensure the implementation of strategies for better managing Federal real property; and~~

~~(3) authorizing a pilot program to expedite the disposal of surplus real property.~~

~~SEC. 603. PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF REAL PROPERTY.~~

~~Chapter 5 of subtitle I of title 40, United States Code, is amended by adding at the end the following:~~

~~"SUBCHAPTER VII—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF REAL PROPERTY~~

~~"§ 621. Definitions~~

~~"In this subchapter:~~

~~"(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of General Services.~~

~~"(2) COUNCIL.—The term 'Council' means the Federal Real Property Council established by section 623(a).~~

~~"(3) DIRECTOR.—The term 'Director' means the Director of the Office of Management and Budget.~~

1 ~~"(4) DISPOSAL.—The term 'disposal' means~~
2 ~~any action that constitutes the removal of any real~~
3 ~~property from the Federal inventory, including sale,~~
4 ~~deed, demolition, or exchange.~~
5 ~~"(5) EXCESS PROPERTY.—The term 'excess~~
6 ~~property' means any real property under the control~~
7 ~~of a Federal agency that the head of the Federal~~
8 ~~agency determines is not required to meet the needs~~
9 ~~or responsibilities of the Federal agency.~~
10 ~~"(6) FEDERAL AGENCY.—The term 'Federal~~
11 ~~agency' means—~~
12 ~~"(A) an executive department or inde-~~
13 ~~pendent establishment in the executive branch~~
14 ~~of the Government; or~~
15 ~~"(B) a wholly owned Government corpora-~~
16 ~~tion.~~
17 ~~"(7) FIELD OFFICE.—The term 'field office'~~
18 ~~means any office of a Federal agency that is not the~~
19 ~~headquarters office location for the Federal agency.~~
20 ~~"(8) POSTAL PROPERTY.—The term 'postal~~
21 ~~property' means any building owned by the United~~
22 ~~States Postal Service.~~
23 ~~"(9) SURPLUS PROPERTY.—~~
24 ~~"(A) IN GENERAL.—The term 'surplus~~
25 ~~property' means excess real property that is not~~

~~required to meet the needs or responsibilities of any Federal agency.~~

~~"(B) EXCLUSIONS.—The term 'surplus property' does not include—~~

~~"(i) any military installation (as defined in section 2910 of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note; Public Law 101–510));~~

~~"(ii) any property that is excepted from the definition of the term 'property' under section 102;~~

~~"(iii) Indian and native Eskimo property held in trust by the Federal Government as described in section 3301(a)(5)(C)(iii);~~

~~"(iv) real property operated and maintained by the Tennessee Valley Authority pursuant to the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831 et seq.);~~

~~"(v) any real property the Director excludes for reasons of national security;~~

~~"(vi) any public lands (as defined in section 203 of the Public Lands Corps Act of 1993 (16 U.S.C. 1722)) administered by—~~

1 ~~"(I) the Secretary of the Interior,~~
2 ~~acting through—~~
3 ~~"(aa) the Director of the~~
4 ~~Bureau of Land Management;~~
5 ~~"(bb) the Director of the~~
6 ~~National Park Service;~~
7 ~~"(cc) the Commissioner of~~
8 ~~Reclamation; or~~
9 ~~"(dd) the Director of the~~
10 ~~United States Fish and Wildlife~~
11 ~~Service; or~~
12 ~~"(II) the Secretary of Agri-~~
13 ~~culture, acting through the Chief of~~
14 ~~the Forest Service; or~~
15 ~~"(vii) any property operated and~~
16 ~~maintained by the United States Postal~~
17 ~~Service.~~
18 ~~"(10) UNDERUTILIZED PROPERTY.—The term~~
19 ~~'underutilized property' means a portion or the en-~~
20 ~~tirety of any real property, including any improve-~~
21 ~~ments, that is used—~~
22 ~~"(A) irregularly or intermittently by the~~
23 ~~accountable Federal agency for program pur-~~
24 ~~poses of the Federal agency; or~~

1 ~~"(B) for program purposes that can be~~
2 ~~satisfied only with a portion of the property.~~
3 **~~"§ 622. Duties of Federal agencies~~**
4 ~~"Each Federal agency shall—~~
5 ~~"(1) maintain adequate inventory controls and~~
6 ~~accountability systems for real property under the~~
7 ~~control of the Federal agency;~~
8 ~~"(2) develop current and future workforce pro-~~
9 ~~jections so as to have the capacity to assess the~~
10 ~~needs of the Federal workforce regarding the use of~~
11 ~~real property;~~
12 ~~"(3) continuously survey real property under~~
13 ~~the control of the Federal agency to identify excess~~
14 ~~property, underutilized property, and other real~~
15 ~~property suitable to be used for—~~
16 ~~"(A) colocation with other Federal agen-~~
17 ~~cies; or~~
18 ~~"(B) consolidation with other facilities;~~
19 ~~"(4) promptly report excess property and un-~~
20 ~~derutilized property to the Administrator;~~
21 ~~"(5) establish goals that will lead the Federal~~
22 ~~agency to reduce excess property and underutilized~~
23 ~~property in the inventory of the Federal agency;~~

1 ~~"(6) submit to the Council a report on all ex-~~
2 ~~cess property and underutilized property in the in-~~
3 ~~ventory of the Federal agency, including—~~
4 ~~"(A) whether underutilized property can be~~
5 ~~better utilized; and~~
6 ~~"(B) the extent to which the Federal agen-~~
7 ~~cy believes that the underutilized property~~
8 ~~serves the needs of the Federal agency to retain~~
9 ~~underutilized property;~~
10 ~~"(7) adopt workplace practices, configurations,~~
11 ~~and management techniques that can achieve in-~~
12 ~~creased levels of productivity and decrease the need~~
13 ~~for real property assets;~~
14 ~~"(8) assess leased space to identify space that~~
15 ~~is not fully used or occupied;~~
16 ~~"(9) on an annual basis and subject to the~~
17 ~~guidance of the Council—~~
18 ~~"(A) conduct an inventory of real property~~
19 ~~under control of the Federal agency; and~~
20 ~~"(B) make an assessment of each real~~
21 ~~property, which shall include—~~
22 ~~"(i) the age and condition of the prop-~~
23 ~~erty;~~
24 ~~"(ii) the size of the property in square~~
25 ~~footage and acreage;~~

~~"(iii) the geographical location of the property, including an address and description;~~

~~"(iv) the extent to which the property is being utilized;~~

~~"(v) the actual annual operating costs associated with the property;~~

~~"(vi) the total cost of capital expenditures associated with the property;~~

~~"(vii) sustainability metrics associated with the property;~~

~~"(viii) the number of Federal employees and functions housed at the property;~~

~~"(ix) the extent to which the mission of the Federal agency is dependent on the property;~~

~~"(x) the estimated amount of capital expenditures projected to maintain and operate the property over each of the next 5 years after the date of enactment of this subchapter; and~~

~~"(xi) any additional information required by the Administrator to carry out section 624; and~~

1 ~~"(10) provide to the Council and the Administrator the information described in paragraph (9)(B) to be used for the establishment and maintenance of the database described in section 624.~~

5 **~~"§ 623. Colocation among United States Postal Service properties~~**

7 ~~"(a) IDENTIFICATION OF POSTAL PROPERTY.—Each year, the Postmaster General may—~~

9 ~~"(1) identify a list of postal properties with space available for use by Federal agencies; and~~

11 ~~"(2) submit the list to the Council.~~

12 ~~"(b) SUBMISSION OF LIST OF POSTAL PROPERTIES TO FEDERAL AGENCIES.—~~

14 ~~"(1) IN GENERAL.—Not later than 30 days after the completion of a list under subsection (a), the Council shall provide the list to each Federal agency.~~

18 ~~"(2) REVIEW BY FEDERAL AGENCIES.—Not later than 90 days after the receipt of the list submitted under paragraph (1), each Federal agency shall—~~

22 ~~"(A) review the list;~~

23 ~~"(B) identify real property assets under the control of the Federal agency; and~~

25 ~~"(C) recommend colocations if appropriate.~~

1 ~~"(c) TERMS OF COLOCATION.—On approval of the~~
2 ~~recommendations under subsection (b) by the Postmaster~~
3 ~~General and the applicable agency head, the Federal agen-~~
4 ~~cy or appropriate landholding entity may work with the~~
5 ~~Postmaster General to establish appropriate terms of a~~
6 ~~lease for each postal property.~~

7 **~~"§ 624. Establishment of a Federal Real Property~~**
8 **~~Council~~**

9 ~~"(a) ESTABLISHMENT.—There is established a Fed-~~
10 ~~eral Real Property Council.~~

11 ~~"(b) PURPOSE.—The purpose of the Council shall~~
12 ~~be—~~

13 ~~"(1) to develop guidance and ensure implemen-~~
14 ~~tation of an efficient and effective real property~~
15 ~~management strategy;~~

16 ~~"(2) to identify opportunities for the Federal~~
17 ~~Government to better manage real property assets;~~
18 ~~and~~

19 ~~"(3) to reduce the costs of managing real prop-~~
20 ~~erty, including operations, maintenance, and secu-~~
21 ~~rity.~~

22 ~~"(c) COMPOSITION.—~~

23 ~~"(1) IN GENERAL.—The Council shall be com-~~
24 ~~posed exclusively of—~~

1 ~~"(A) the senior real property officers of~~
2 ~~each Federal agency;~~
3 ~~"(B) the Deputy Director for Management~~
4 ~~of the Office of Management and Budget;~~
5 ~~"(C) the Controller of the Office of Man-~~
6 ~~agement and Budget;~~
7 ~~"(D) the Administrator; and~~
8 ~~"(E) any other full-time or permanent~~
9 ~~part-time Federal officials or employees, as the~~
10 ~~Chairperson determines to be necessary.~~
11 ~~"(2) CHAIRPERSON.—The Deputy Director for~~
12 ~~Management of the Office of Management and~~
13 ~~Budget shall serve as Chairperson of the Council.~~
14 ~~"(3) EXECUTIVE DIRECTOR.—~~
15 ~~"(A) IN GENERAL.—The Chairperson shall~~
16 ~~designate an Executive Director to assist in~~
17 ~~carrying out the duties of the Council.~~
18 ~~"(B) QUALIFICATIONS; FULL-TIME.—The~~
19 ~~Executive Director shall—~~
20 ~~"(i) be appointed from among individ-~~
21 ~~uals who have substantial experience in the~~
22 ~~areas of commercial real estate and devel-~~
23 ~~opment, real property management, and~~
24 ~~Federal operations and management; and~~
25 ~~"(ii) serve full time.~~

1 ~~"(d) MEETINGS.—~~

2 ~~"(1) IN GENERAL.—The Council shall meet~~

3 ~~subject to the call of the Chairperson.~~

4 ~~"(2) MINIMUM.—The Council shall meet not~~

5 ~~fewer than 4 times each year.~~

6 ~~"(e) DUTIES.—The Council, in consultation with the~~

7 ~~Director and the Administrator, shall—~~

8 ~~"(1) not later than 1 year after the date of en-~~

9 ~~actment of this subchapter, establish a real property~~

10 ~~management plan template, to be updated annually,~~

11 ~~which shall include performance measures, specific~~

12 ~~milestones, measurable savings, strategies, and gov-~~

13 ~~ernment-wide goals based on the goals established~~

14 ~~under section 622(5) to reduce surplus property or~~

15 ~~to achieve better utilization of underutilized prop-~~

16 ~~erty, and evaluation criteria to determine the effec-~~

17 ~~tiveness of real property management that are de-~~

18 ~~signed—~~

19 ~~"(A) to enable Congress and heads of Fed-~~

20 ~~eral agencies to track progress in the achieve-~~

21 ~~ment of real property management objectives on~~

22 ~~a government-wide basis;~~

23 ~~"(B) to improve the management of real~~

24 ~~property; and~~

1 ~~"(C) to allow for comparison of the per-~~
2 ~~formance of Federal agencies against industry~~
3 ~~and other public sector agencies in terms of~~
4 ~~performance;~~
5 ~~"(2) develop standard use rates consistent~~
6 ~~throughout each category of space and with non-~~
7 ~~governmental space use rates;~~
8 ~~"(3) develop a strategy to reduce the reliance of~~
9 ~~Federal agencies on leased space for long-term needs~~
10 ~~if ownership would be less costly;~~
11 ~~"(4) provide guidance on eliminating inefficien-~~
12 ~~cies in the Federal leasing process;~~
13 ~~"(5) compile a list of real property assets that~~
14 ~~are field offices that are suitable for colocation with~~
15 ~~other real property assets; and~~
16 ~~"(6) not later than 1 year after the date of en-~~
17 ~~actment of this subchapter and annually during the~~
18 ~~4-year period beginning on the date that is 1 year~~
19 ~~after the date of enactment of this subchapter and~~
20 ~~ending on the date that is 5 years after the date of~~
21 ~~enactment of this subchapter, the Council shall sub-~~
22 ~~mit to the Director a report that contains—~~
23 ~~"(A) a list of the remaining excess prop-~~
24 ~~erty, surplus property, and underutilized prop-~~
25 ~~erties of each Federal agency;~~

1 ~~"(B) the progress of the Council toward~~
2 ~~developing guidance for Federal agencies to en-~~
3 ~~sure that the assessment required under section~~
4 ~~622(9)(B) is carried out in a uniform manner;~~
5 ~~and~~
6 ~~"(C) the progress of Federal agencies to-~~
7 ~~ward achieving the goals established under sec-~~
8 ~~tion 622(5).~~
9 ~~"(f) CONSULTATION.—In carrying out the duties de-~~
10 ~~scribed in subsection (e), the Council shall also consult~~
11 ~~with representatives of—~~
12 ~~"(1) State, local, tribal authorities, and affected~~
13 ~~communities; and~~
14 ~~"(2) appropriate private sector entities and~~
15 ~~nongovernmental organizations that have expertise~~
16 ~~in areas of—~~
17 ~~"(A) commercial real estate and develop-~~
18 ~~ment;~~
19 ~~"(B) government management and oper-~~
20 ~~ations;~~
21 ~~"(C) space planning;~~
22 ~~"(D) community development, including~~
23 ~~transportation and planning; and~~
24 ~~"(E) historic preservation.~~

1 ~~"(g) COUNCIL RESOURCES.—The Director and the~~
2 ~~Administrator shall provide staffing, and administrative~~
3 ~~support for the Council, as appropriate.~~
4 **~~"§ 625. Federal real property inventory and database~~**
5 ~~"(a) IN GENERAL.—Not later than 1 year after the~~
6 ~~date of enactment of this subchapter, the Administrator~~
7 ~~shall establish and maintain a single, comprehensive, and~~
8 ~~descriptive database of all real property under the custody~~
9 ~~and control of all Federal agencies.~~
10 ~~"(b) CONTENTS.—The database shall include—~~
11 ~~"(1) information provided to the Administrator~~
12 ~~under section 622(9)(B); and~~
13 ~~"(2) a list of real property disposals completed,~~
14 ~~including—~~
15 ~~"(A) the date and disposal method used~~
16 ~~for each real property;~~
17 ~~"(B) the proceeds obtained from the dis-~~
18 ~~posal of each real property;~~
19 ~~"(C) the amount of time required to dis-~~
20 ~~pose of the real property, including the date on~~
21 ~~which the real property is designated as excess~~
22 ~~property;~~
23 ~~"(D) the date on which the property is~~
24 ~~designated as surplus property and the date on~~
25 ~~which the property is disposed; and~~

1 ~~"(E) all costs associated with the disposal.~~
2 ~~"(c) ACCESSIBILITY.—~~
3 ~~"(1) COMMITTEES.—The database established~~
4 ~~under subsection (a) shall be made available on re-~~
5 ~~quest to the Committee on Homeland Security and~~
6 ~~Governmental Affairs and the Committee on Envi-~~
7 ~~ronment and Public Works of the Senate and the~~
8 ~~Committee on Oversight and Government Reform~~
9 ~~and the Committee on Transportation and Infra-~~
10 ~~structure of the House of Representatives.~~
11 ~~"(2) GENERAL PUBLIC.—Not later than 3 years~~
12 ~~after the date of enactment of this subchapter and~~
13 ~~to the extent consistent with national security, the~~
14 ~~Administrator shall make the database established~~
15 ~~under subsection (a) accessible to the public at no~~
16 ~~cost through the website of the General Services Ad-~~
17 ~~ministration.~~
18 **~~"§ 626. Limitation on certain leasing authorities~~**
19 ~~"(a) IN GENERAL.—Except as provided in subsection~~
20 ~~(b), not later than December 31 of each year following~~
21 ~~the date of enactment of this subchapter, a Federal agency~~
22 ~~with independent leasing authority shall submit to the~~
23 ~~Council a list of all leases, including operating leases, in~~
24 ~~effect on the date of enactment of this subchapter that~~
25 ~~includes—~~

1 ~~"(1) the date on which each lease was executed;~~

2 ~~"(2) the date on which case lease will expire;~~

3 ~~"(3) a description of the size of the space;~~

4 ~~"(4) the location of the property;~~

5 ~~"(5) the tenant agency;~~

6 ~~"(6) the total annual rental rate; and~~

7 ~~"(7) the amount of the net present value of the~~

8 ~~total estimated legal obligations of the Federal Gov-~~

9 ~~ernment over the life of the contract.~~

10 ~~"(b) EXCEPTION.—Subsection (a) shall not apply~~

11 ~~to—~~

12 ~~"(1) the United States Postal Service;~~

13 ~~"(2) the Department of Veterans Affairs; or~~

14 ~~"(3) any other property the President excludes~~

15 ~~from subsection (a) for reasons of national security.~~

16 **~~"§ 627. Expedited disposal pilot program~~**

17 ~~"(a) ESTABLISHMENT.—The Director shall establish~~

18 ~~a pilot program to dispose of, by sale, transfer, or other~~

19 ~~means of disposal, any surplus property.~~

20 ~~"(1) PROPERTIES FOR EXPEDITED DISPOSAL.—~~

21 ~~"(A) IN GENERAL.—On an annual basis,~~

22 ~~the Director may authorize the expedited dis-~~

23 ~~posal of not more than 200 surplus properties.~~

24 ~~"(B) PRIORITY.—In determining which~~

25 ~~properties to dispose of, the Director shall give~~

~~priority to surplus properties that have the highest fair market value and the greatest potential for disposal.~~

~~"(C) COSTS ASSOCIATED WITH DISPOSAL.—~~

~~"(i) IN GENERAL.—The Administrator may obligate an amount to pay any direct and indirect costs under section 572 related to identifying and preparing properties to be reported as excess property by a Federal agency.~~

~~"(ii) REIMBURSEMENT.—An amount obligated under clause (i) shall be paid from the proceeds of any sale of real property under this subsection.~~

~~"(iii) NET PROCEEDS.—Net proceeds shall be distributed under subsection (b).~~

~~"(D) MAXIMUM NET PROCEEDS.—Any real property authorized to be disposed of by sale of under subparagraph (A) shall disposed of in a manner that, as determined by the Administrator in consultation with the head of the applicable Federal agency, is structured and marketed to maximize the value to the Federal Government.~~

1 ~~"(E) MONETARY PROCEEDS REQUIRE-~~
2 ~~MENT.—Surplus property may be disposed of~~
3 ~~under this section only if disposal of the prop-~~
4 ~~erty will generate monetary proceeds to the~~
5 ~~Federal Government that—~~
6 ~~"(i) exceed the costs of disposal of the~~
7 ~~property; and~~
8 ~~"(ii) are not less than 90 percent of~~
9 ~~fair market value.~~
10 ~~"(2) APPLICABILITY OF CERTAIN LAW.—Any~~
11 ~~expedited disposal of real property conducted under~~
12 ~~this section shall not be subject to—~~
13 ~~"(A) any section of An Act Authorizing the~~
14 ~~Transfer of Certain Real Property for Wildlife,~~
15 ~~or Other Purposes (16 U.S.C. 667b);~~
16 ~~"(B) sections 107 and 317 of title 23;~~
17 ~~"(C) sections 545(b)(8), 550, 553, 554,~~
18 ~~and 1304(b);~~
19 ~~"(D) section 501 of the McKinney-Vento~~
20 ~~Homeless Assistance Act (42 U.S.C. 11411);~~
21 ~~"(E) section 47151 of title 49; or~~
22 ~~"(F) section 13(d) of the Surplus Property~~
23 ~~Act of 1944 (50 U.S.C. App. 1622(d)).~~
24 ~~"(3) EFFECT.—Except as provided in para-~~
25 ~~graph (2), nothing in this subchapter terminates or~~

~~in any way limits the authority of any Federal agency under any other provision of law to dispose of real property.~~

~~"(b) USE OF PROCEEDS.—~~

~~"(1) IN GENERAL.—Of the proceeds received from the disposal of any real property under this subchapter—~~

~~"(A) not less than 80 percent shall be returned to the general fund of the Treasury for debt reduction;~~

~~"(B) the lesser of 18 percent or the share of proceeds otherwise authorized to be retained under law shall be retained by the Federal agency that has custody and is accountable for the real property, subject to paragraph (2);~~

~~"(C) not greater than 2 percent shall be made available to carry out section 627, subject to annual appropriations; and~~

~~"(D) any remaining share of the proceeds shall be returned to the general fund of the Treasury for Federal budget deficit reduction.~~

~~"(2) LIMITATION ON USE OF PROCEEDS.—Any proceeds retained by Federal agencies under this section shall be—~~

1 ~~"(A) deposited into the appropriate real~~
2 ~~property account of the Federal agency that~~
3 ~~had custody and accountability for the real~~
4 ~~property, with the funds expended only as au-~~
5 ~~thorized in annual appropriations Acts;~~
6 ~~"(B) used—~~
7 ~~"(i) by not later than 2 years after~~
8 ~~the date of disposal of the real property;~~
9 ~~and~~
10 ~~"(ii) only for activities relating to~~
11 ~~Federal real property asset management~~
12 ~~and disposal; and~~
13 ~~"(C) if not used by the date described in~~
14 ~~subparagraph (B)(i), shall be deposited in the~~
15 ~~Treasury and used for Federal budget deficit~~
16 ~~reduction.~~
17 ~~"(c) PUBLIC BENEFIT.—~~
18 ~~"(1) CONVEYANCE.—Except as provided in~~
19 ~~paragraph (2), if a real property authorized to be~~
20 ~~disposed of under subsection (a) has not been dis-~~
21 ~~posed of by the date that is 2 years after the date~~
22 ~~the property is listed for sale, the Director, in con-~~
23 ~~sultation with the Administrator and the Secretary~~
24 ~~of Housing and Urban Development, may consider a~~
25 ~~request from the disposing Federal agency that the~~

real property be conveyed to State and local governments or nonprofit organizations for various public purposes or uses as permitted by applicable law.

"(2) PREDOMINANT USE AND SIZE STANDARDS.—

"(A) IN GENERAL.—Any real property authorized to be disposed of under subsection (a) shall not be conveyed under paragraph (1) if—

"(i) the predominant use of the property is not for housing; and

"(ii)(I) the area of the property is not less than 25,000 square feet; or

"(II) the appraised fair market value of the property is greater than $1,000,000.

"(B) APPRAISED FAIR MARKET VALUE.—The appraised fair market value described in subparagraph (A)(ii)(II) shall be determined by the Federal agency with custody or control of the property, in consultation with the Administrator and standard appraisal practice.

"(d) ENFORCEMENT.—

"(1) INCREASE IN SIZE OF INVENTORY.—Except as provided in paragraph (2), if a Federal agency fails to make available for public sale the real property authorized to be disposed of under sub-

~~section (a) by the date that is 18 months after the date on which the authorization is made under subsection (a), that Federal agency, except for specific exceptions promulgated by the Director, shall not increase the size of the civilian real property inventory, unless the square footage of the increase is offset, within an appropriate time as determined by the Director, through consolidation, colocation, or disposal of another building space from the inventory of that Federal agency.~~

~~"(2) EXCEPTION.—Paragraph (1) shall not apply to a Federal agency that acquires any real property not under the administrative jurisdiction of the Federal Government, by sale or lease, until the Director submits a certification to Congress of the disposal of all of those surplus properties.~~

~~"(e) TERMINATION OF AUTHORITY.—The authority provided by this section terminates on the date that is 5 years after the date of enactment of this subchapter.~~

~~"§ 628. Homeless assistance grants~~

~~"(a) DEFINITIONS.—In this section:~~

~~"(1) ELIGIBLE NONPROFIT ORGANIZATION.—The term 'eligible nonprofit organization' means a nonprofit organization that is a representative of the homeless.~~

1 ~~"(2) HOMELESS.—The term 'homeless' has the~~
2 ~~meaning given the term in section 103 of the~~
3 ~~McKinney-Vento Homeless Assistance Act (42~~
4 ~~U.S.C. 11302), except that subsection (c) of that~~
5 ~~section shall not apply.~~
6 ~~"(3) PERMANENT HOUSING.—The term 'perma-~~
7 ~~nent housing' has the meaning given the term in~~
8 ~~section 401 of the McKinney-Vento Homeless Assist-~~
9 ~~ance Act (42 U.S.C. 11360).~~
10 ~~"(4) PRIVATE NONPROFIT ORGANIZATION.—~~
11 ~~The term 'private nonprofit organization' has the~~
12 ~~meaning given the term in section 401 of the~~
13 ~~McKinney-Vento Homeless Assistance Act (42~~
14 ~~U.S.C. 11360).~~
15 ~~"(5) REPRESENTATIVE OF THE HOMELESS.—~~
16 ~~The term 'representative of the homeless' has the~~
17 ~~meaning given the term in section 501(i) of the~~
18 ~~McKinney-Vento Homeless Assistance Act (42~~
19 ~~U.S.C. 11411(i)).~~
20 ~~"(6) SECRETARY.—The term 'Secretary' means~~
21 ~~the Secretary of Housing and Urban Development.~~
22 ~~"(7) TRANSITIONAL HOUSING.—The term~~
23 ~~'transitional housing' has the meaning given the~~
24 ~~term in section 401 of the McKinney-Vento Home-~~
25 ~~less Assistance Act (42 U.S.C. 11360).~~

1 ~~"(b) GRANT AUTHORITY.—~~

2 ~~"(1) IN GENERAL.—To the extent amounts are~~
3 ~~made available under section 626(b)(1)(B) for use~~
4 ~~under this section, the Secretary shall make grants~~
5 ~~to eligible private nonprofit organizations through~~
6 ~~the continuum of care program established under~~
7 ~~subtitle C of title IV of the McKinney-Vento Home-~~
8 ~~less Assistance Act (42 U.S.C. 11381 et seq.), to~~
9 ~~purchase real property suitable for use to assist the~~
10 ~~homeless in accordance with subsection (c).~~

11 ~~"(2) TERMS AND CONDITIONS.—Except as oth-~~
12 ~~erwise provided in this section, a grant under this~~
13 ~~section shall be subject to the same terms and condi-~~
14 ~~tions as a grant under the continuum of care pro-~~
15 ~~gram established under subtitle C of title IV of the~~
16 ~~McKinney-Vento Homeless Assistance Act (42~~
17 ~~U.S.C. 11381 et seq.).~~

18 ~~"(c) USE OF PROPERTIES FOR HOUSING OR SHEL-~~
19 ~~TER FOR THE HOMELESS.—~~

20 ~~"(1) ELIGIBLE USES.—An eligible private non-~~
21 ~~profit organization that receives a grant under sub-~~
22 ~~section (b) shall use the amounts received only to~~
23 ~~purchase or rehabilitate real property for use to pro-~~
24 ~~vide permanent housing, transitional housing, or~~
25 ~~temporary shelter to the homeless.~~

1 ~~"(2) TERM OF USE.—The Secretary may not~~
2 ~~make a grant under subsection (b) to an eligible pri-~~
3 ~~vate nonprofit organization unless the eligible pri-~~
4 ~~vate nonprofit organization provides to the Secretary~~
5 ~~such assurances as the Secretary determines nec-~~
6 ~~essary to ensure that any real property purchased or~~
7 ~~rehabilitated using amounts received under the grant~~
8 ~~is used only for the uses described in paragraph (1)~~
9 ~~for a period of not less than 15 years.~~
10 ~~"(d) PREFERENCE.—In awarding grants under sub-~~
11 ~~section (b), the Secretary shall give preference to eligible~~
12 ~~private nonprofit organizations that operate within areas~~
13 ~~in which Federal real property is being sold under the dis-~~
14 ~~posal program authorized under section 626.~~
15 ~~"(e) REGULATIONS.—The Secretary may promulgate~~
16 ~~such regulations as are necessary to carry out this sec-~~
17 ~~tion.".~~
18 **~~SEC. 604. REPORT OF THE COMPTROLLER GENERAL.~~**
19 ~~(a) DRAFT.—Not later than 3 years after the date~~
20 ~~of enactment of this Act, the Comptroller General of the~~
21 ~~United States shall submit to Congress a draft report on~~
22 ~~the expedited disposal pilot program established by the~~
23 ~~amendments made by section 3.~~
24 ~~(b) FINAL.—Not later than 5 years after the date~~
25 ~~of enactment of this Act, the Comptroller General of the~~

~~United States shall submit to Congress a final report on the expedited disposal pilot program established by the amendments made by section 3.~~

~~SEC. 605. TECHNICAL AND CONFORMING AMENDMENT.~~

~~The table of sections for chapter 5 of subtitle I of title 40, United States Code, is amended by inserting after the item relating to section 611 the following:~~

~~"SUBCHAPTER VII—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF REAL PROPERTY~~

~~"621. Definitions.~~
~~"622. Duties of Federal agencies.~~
~~"623. Colocation among United States Postal Service properties.~~
~~"624. Establishment of a Federal Real Property Council.~~
~~"625. Federal real property inventory and database.~~
~~"626. Limitation on certain leasing authorities.~~
~~"627. Expedited disposal pilot program.~~
~~"628. Homeless assistance grants.".~~

SECTION 1. SHORT TITLE.

This Act may be cited as the "Postal Reform Act of 2014".

SEC. 2. TABLE OF CONTENTS.

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 SERVICE WORKFORCE

Sec. 101. Annual Federal Employee Retirement System and Civil Service Retirement System assessments.
Sec. 102. Postal Service authority to negotiate retirement benefit terms for new employees.
Sec. 103. Restructuring of payments for retiree health benefits.
Sec. 104. Postal Service Health Benefits Program.
Sec. 105. Labor disputes.
Sec. 106. Prefunding and financial reporting with respect to workers' compensation liability.
Sec. 107. Right of appeal to Merit Systems Protection Board.
Sec. 108. Supervisory and other managerial organizations.

TITLE II—POSTAL SERVICE OPERATIONS

Sec. 201. Maintenance of delivery service standards.
Sec. 202. Preserving mail processing capacity; review of discontinuances, closings, and consolidations.
Sec. 203. Preserving community post offices.
Sec. 204. Changes to mail delivery schedule.
Sec. 205. Delivery point modernization.
Sec. 206. Postal services for market-dominant products.
Sec. 207. Report on pilot program for use of natural gas and propane for postal trucks.
Sec. 208. Capitol Complex post offices.
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TITLE III—POSTAL SERVICE REVENUE

Sec. 301. Postal rates.
Sec. 302. Nonpostal services.
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TITLE IV—POSTAL SERVICE GOVERNANCE

Sec. 401. Board of Governors of the Postal Service.
Sec. 402. Strategic Advisory Commission on Postal Service Solvency and Innovation.
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Sec. 405. Area and district office structure.
Sec. 406. Inspector General of the Postal Service.
Sec. 407. Postal Regulatory Commission.
Sec. 408. Postal Service contracts and congressional oversight authority.

TITLE V—FEDERAL EMPLOYEES' COMPENSATION ACT

Sec. 501. Short title; references.
Sec. 502. Federal workers compensation reforms for retirement-age employees.
Sec. 503. Augmented compensation for dependents.
Sec. 504. Schedule compensation payments.
Sec. 505. Vocational rehabilitation.
Sec. 506. Reporting requirements.
Sec. 507. Disability management review; independent medical examinations.
Sec. 508. Waiting period.
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Sec. 511. Subrogation of continuation of pay.
Sec. 512. Integrity and compliance.
Sec. 513. Amount of compensation.
Sec. 514. Terrorism injuries; zones of armed conflict.
Sec. 515. Technical and conforming amendments.
Sec. 516. Regulations.
Sec. 517. Effective date.

TITLE VI—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF REAL PROPERTY

Sec. 601. Short title.
Sec. 602. Purpose.

Sec. 603. Property management and expedited disposal of real property.
Sec. 604. Report of the Comptroller General.
Sec. 605. Technical and conforming amendment.

SEC. 3. DEFINITIONS.

In this Act, the following definitions shall apply:

(1) COMMISSION.—The term "Commission" means the Postal Regulatory Commission.

(2) POSTAL SERVICE.—The term "Postal Service" means the United States Postal Service.

TITLE I—POSTAL SERVICE WORKFORCE

SEC. 101. ANNUAL FEDERAL EMPLOYEE RETIREMENT SYSTEM AND CIVIL SERVICE RETIREMENT SYSTEM ASSESSMENTS.

(a) USE OF POSTAL-SPECIFIC ASSUMPTIONS IN NORMAL COST CALCULATION.—

(1) IN GENERAL.—Section 8423(a) of title 5, United States Code, is amended—

(A) in paragraph (1), by inserting "other than the United States Postal Service" after "Each employing agency"; and

(B) by adding at the end the following:

"(5)(A) The United States Postal Service shall contribute to the Fund an amount equal to the product of—

"(i) the normal-cost percentage, as determined for employees of the United States Postal Service under subparagraph (B), multiplied by

"(ii) the aggregate amount of basic pay payable by the United States Postal Service, for the period involved, to employees of the United States Postal Service.

"(B)(i) In determining the normal-cost percentage for employees of the United States Postal Service, the Office shall use—

"(I) demographic factors specific to the employees; and

"(II) appropriate economic assumptions, as determined by the Office, regarding wage and salary trends specific to the employees.

"(ii) The United States Postal Service shall provide any data or projections the Office requires in order to determine the normal-cost percentage for employees of the United States Postal Service consistent with clause (i).

"(iii) Notwithstanding paragraph (2), in determining the normal-cost percentage to be applied for employees of the United States Postal Service, the Office shall take into account amounts provided under

section 8422 and amounts provided under section 1005(g)(3)(A)(i) of title 39.

"(iv) The Office shall review the determination of the normal-cost percentage for employees of the United States Postal Service and make such adjustments as the Office determines are necessary—

"(I) upon request of the United States Postal Service, but no more frequently than once each fiscal year; and

"(II) at any additional times, as the Office considers appropriate.".

(2) INITIAL DETERMINATION.—Not later than 180 days after the date on which the Office receives the appropriate data or projections from the Postal Service under clause (ii) of section 8423(a)(5)(B) of title 5, United States Code, as added by paragraph (1), the Office shall determine the normal-cost percentage for employees of the Postal Service in accordance with the requirements under such section 8423(a)(5)(B).

(3) APPLICABILITY.—On and after the date on which the Office determines the normal-cost percentage under paragraph (2), the contributions of the Postal Service to the Civil Service Retirement and Disability Fund relating to employees covered under

chapter 84 of title 5, United States Code, shall be determined in accordance with paragraph (5) of section 8423(a) of title 5, United States Code, as added by paragraph (1).

(b) POSTAL FUNDING SURPLUS OR LIABILITY.—

(1) TREATMENT OF POSTAL FUNDING SURPLUS.—Section 8423(b) of title 5, United States Code, is amended—

(A) by redesignating paragraph (5) as paragraph (6); and

(B) by inserting after paragraph (4) the following:

"(5)(A) In this paragraph, the term 'postal funding surplus' means the amount by which the amount of supplemental liability computed under paragraph (1)(B) is less than zero.

"(B) After the date on which the Office determines under paragraph (7)(C) the amount of supplemental liability computed under paragraph (1)(B) as of the close of the fiscal year ending on September 30, 2013, not later than the date on which the Postmaster General makes a request under subparagraph (C) of this paragraph, and if the amount determined under paragraph (7)(C) is less than zero, the Postmaster General may request that some or all of the amount

of the postal funding surplus, not to exceed $6,000,000,000, be returned to the United States Postal Service, and not later than 10 days after the request, the Director shall transfer to the United States Postal Service from the Fund an amount equal to the portion of the postal funding surplus requested, for use in accordance with subparagraph (E)(i).

"(C)(i) Subject to clause (ii), after the date on which the Office computes the amount of supplemental liability under paragraph (1)(B) as of the close of the fiscal year ending on September 30, 2014, and if such amount is less than zero, the Postmaster General may request that some of the amount of the postal funding surplus, not to exceed ⅔ of the amount, be returned to the United States Postal Service, and not later than 10 days after the request, the Director shall transfer to the United States Postal Service from the Fund an amount equal to the portion of the postal funding surplus requested, for use in accordance with subparagraph (E)(ii).

"(ii) If any amount requested by the Postmaster General under subparagraph (B) is not transferred from the Fund as of the close of the fiscal year ending on September 30, 2014, for purposes of this subparagraph, the Office shall recompute the amount of sup-

plemental liability computed under paragraph (1)(B) as of the close of that fiscal year by subtracting from the balance of the Fund the amount requested under subparagraph (B) of this paragraph.

"(D) If the amount of supplemental liability computed under paragraph (1)(B) as of the close of any fiscal year commencing after September 30, 2014, is less than zero, the Office shall establish an amortization schedule, including a series of equal annual installments that—

"(i) provide for the liquidation of the postal funding surplus in 40 years, commencing on September 30 of the subsequent fiscal year; and

"(ii) shall be transferred to the United States Postal Service from the Fund for use in accordance with subparagraph (E)(ii).

"(E)(i) The United States Postal Service may use an amount transferred under subparagraph (B) only for the purpose of repaying any obligation issued under section 2005(a) of title 39.

"(ii) The United States Postal Service may use an amount transferred under subparagraph (C) or (D) only—

"(I) by directing that some or all of the amount be transferred to the Postal Service Re-

tiree Health Benefits Fund for the purpose of reducing any Postal Service actuarial liability referred to under section 8909a;

"(II) by directing that some or all of the amount be transferred to the Civil Service Retirement and Disability Fund for the purpose of reducing any supplemental liability under section 8348(h);

"(III) by directing that some or all of the amount be transferred to the Civil Service Retirement and Disability Fund for the purpose of reducing any supplemental liability under section 8423(b)(1)(B);

"(IV) by directing that some or all of the amount be transferred to the Postal Service Workers' Compensation Accrued Liability Fund for the purpose of reducing any Postal Service actuarial liability under section 2012 of title 39; or

"(V) as described in clause (i), if none of the liabilities referred to in subclause (I), (II), (III), or (IV) remain unpaid.".

(2) SUPPLEMENTAL LIABILITY CALCULATION.—

(A) FERS.—Section 8423(b) of title 5, United States Code, as amended by paragraph (1) of this subsection, is amended—

(i) in paragraph (6), as so redesignated, in the matter preceding subparagraph (A), by striking "For the purpose" and inserting "Subject to paragraph (7), for the purpose"; and

(ii) by adding at the end the following:

"(7)(A) For the purpose of carrying out paragraph (1)(B) with respect to the fiscal year ending September 30, 2013, and each fiscal year thereafter, the Office shall, consistent with subsection (a)(5)(B), use—

"(i) demographic factors specific to current and former employees of the United States Postal Service; and

"(ii) appropriate economic assumptions, as determined by the Office, regarding wage and salary trends specific to current employees of the United States Postal Service.

"(B) The United States Postal Service shall provide any data or projections the Office requires in order to carry out paragraph (1)(B) consistent with subparagraph (A) of this paragraph.

"(C) Not later than 180 days after the later of the date on which the Office receives the appropriate data or projections from the United States Postal Service under subparagraph (B) or the date of enactment of the Postal Reform Act of 2014, the Office shall determine or redetermine whether there is a postal funding surplus (as defined in paragraph (5)) or a supplemental liability described in paragraph (1)(B) (and the amount thereof) as of the close of the fiscal year ending on September 30, 2013, in accordance with the requirements under subparagraph (A) of this paragraph.".

(B) CSRS.—Section 8348(h) of title 5, United States Code, is amended—

(i) in paragraph (2), by striking subparagraph (B) and inserting the following:

"(B)(i)(I) Not later than the date on which the Office determines the normal-cost percentage under section 101(a)(2) of the Postal Reform Act of 2014, the Office shall redetermine the Postal surplus or supplemental liability as of the close of the fiscal year ending on September 30, 2013, in accordance with the requirements under paragraph (4).

"(II) If the result of the redetermination under subclause (I) is a surplus, that amount shall remain in the

Fund until distribution is authorized under subparagraph (C).

"(III) If the result of the redetermination under subclause (I) is a supplemental liability, the Office shall establish an amortization schedule, including a series of annual installments commencing on September 30, 2015, which provides for the liquidation of such liability by September 30, 2054.

"(ii)(I) The Office shall redetermine the Postal surplus or supplemental liability as of the close of each fiscal year beginning after September 30, 2013, in accordance with the requirements under paragraph (4).

"(II) If the result of the redetermination under subclause (I) is a surplus, that amount shall remain in the Fund until distribution is authorized under subparagraph (C).

"(III) On and after June 15, 2015, if the result of the redetermination under subclause (I) is a supplemental liability, the Office shall establish an amortization schedule, including a series of annual installments commencing on September 30 of the subsequent fiscal year, which provides for the liquidation of such liability by September 30, 2054."; and

(ii) by adding at the end the following:

"(4)(A) For the purpose of carrying out paragraphs (1) and (2), the Office shall, consistent with section 8423(a)(5)(B), use—

"(i) demographic factors specific to current and former employees of the United States Postal Service; and

"(ii) appropriate economic assumptions, as determined by the Office, regarding wage and salary trends specific to the employees.

"(B) The United States Postal Service shall provide any data or projections the Office requires in order to carry out paragraphs (1) and (2) consistent with subparagraph (A) of this paragraph.".

SEC. 102. POSTAL SERVICE AUTHORITY TO NEGOTIATE RETIREMENT BENEFIT TERMS FOR NEW EMPLOYEES.

(a) AUTHORITY TO NEGOTIATE RETIREMENT BENEFIT TERMS.—

(1) COLLECTIVE BARGAINING OVER CERTAIN RETIREMENT BENEFITS.—Section 1005 of title 39, United States Code, is amended by adding at the end the following:

"(g)(1) In this subsection—

"(A) the term 'collective bargaining agreement' means a collective bargaining agreement between the

Postal Service and a bargaining representative recognized under section 1203 entered into after the date of enactment of the Postal Reform Act of 2014;

"(B) the term 'new employee' means an individual who becomes an officer or employee of the Postal Service after the date of enactment of the Postal Reform Act of 2014; and

"(C) the term 'not eligible to receive FERS service credit', with respect to an officer or employee of the Postal Service, means that service by the officer or employee of the Postal Service as an officer or employee of the Postal Service shall not be creditable service for purposes of chapter 84 of title 5.

"(2)(A) A collective bargaining agreement may provide, notwithstanding chapter 84 of title 5, that some or all new employees covered under the collective bargaining agreement shall be not eligible to receive FERS service credit for service performed during any pay period beginning after the effective date of the provision.

"(B) If a new employee is not eligible to receive FERS credit pursuant to a collective bargaining agreement, any subsequent service by the new employee as an officer or employee of the Postal Service shall not be creditable service for purposes of chapter 84 of title 5.

"(C) Subject to the requirements under this subsection, a collective bargaining agreement may include 1 or more additional retirement benefit plans for the benefit of some or all new employees covered under the collective bargaining agreement.

"(3)(A) A collective bargaining agreement may establish, with respect to some or all new employees covered under the collective bargaining agreement—

"(i) without regard to section 8422 of title 5—

"(I) the amounts to be deducted and withheld from the pay of the new employees for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund; and

"(II) the corresponding adjustment under section 8423(a)(5)(B)(iii) of title 5 to the amount of the contributions to be made by the Postal Service to the Fund; and

"(ii) for any retirement benefit plan established under the collective bargaining agreement, the amounts to be deducted and withheld from the pay of the new employees under the retirement benefit plan for the benefit of the new employees.

"(B) Except as provided in paragraph (2)(B), a collective bargaining agreement may establish the amounts de-

scribed in subparagraph (A)(i) with respect to some or all new employees who were covered under a previous collective bargaining agreement.

"(4)(A) A collective bargaining agreement among the Postal Service and all bargaining representatives recognized under section 1203 may establish, without regard to section 8432 of title 5, with respect to some or all new employees covered under the collective bargaining agreement, whether the Postal Service shall make contributions to the Thrift Savings Fund for the benefit of the new employees, and, if the Postal Service shall make such contributions, the amounts that the Postal Service shall contribute.

"(B) A collective bargaining agreement described in subparagraph (A) may not establish more than 1 option regarding the contributions by the Postal Service to the Thrift Savings Fund that will apply to some or all new employees covered under the agreement.

"(C) If a collective bargaining agreement described in subparagraph (A) is not in effect, and if the Postal Service or a bargaining representative requests that the Postal Service and all bargaining representatives commence collective bargaining to seek such an agreement, the procedures under section 1207(d) shall apply.

"(D) Except as provided in subparagraph (A), nothing in this subsection or in a provision of a collective bar-

gaining agreement entered under this subsection shall affect the coverage of an officer or employee of the Postal Service under subchapter III of chapter 84 of title 5.".

(2) APPLICABILITY OF LAWS RELATING TO FEDERAL EMPLOYEES.—Section 1005 of title 39, United States Code, is amended—

(A) in subsection (d)(1), by striking "Officers" and inserting "Except as provided in subsection (g), officers"; and

(B) in subsection (f), in the second sentence—

(i) by inserting "84," before "87,"; and

(ii) by striking "this subsection." and inserting "this subsection or subsection (g).".

(3) INELIGIBILITY FOR AUTOMATIC ENROLLMENT IN THRIFT SAVINGS PLAN.—Section 8432(b)(2)(D) of title 5, United States Code, is amended—

(A) by striking "clause (ii)" and inserting "clauses (ii) and (iii)"; and

(B) by adding at the end following:

"(iii) An individual for whom a collective bargaining agreement authorized under section 1005(g)(4) of title 39 establishes whether the Postal Service shall make contributions to the Thrift Savings Fund for the benefit of the indi-

vidual and the amount of the contributions shall not be an eligible individual for purposes of this paragraph.".

(b) SPECIAL RULES RELATING TO FERS COVERAGE FOR COVERED POSTAL EMPLOYEES.—

(1) IN GENERAL.—Subchapter II of chapter 84 of title 5, United States Code, is amended by adding at the end the following:

"§ 8426. Postal Service retirement

"(1) The application of sections 8422 and 8423 of this title and subchapters III and VII of this chapter with respect to an officer or employee of the Postal Service may be modified as provided under section 1005(g) of title 39.".

(2) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for subchapter II of chapter 84 of title 5, United States Code, is amended by adding at the end the following:

"8426. Postal Service retirement.".

SEC. 103. RESTRUCTURING OF PAYMENTS FOR RETIREE HEALTH BENEFITS.

(a) CONTRIBUTIONS.—Section 8906(g)(2)(A) of title 5, United States Code, is amended by striking "through September 30, 2016, be paid by the United States Postal Service, and thereafter shall" and inserting "after the date of enactment of the Postal Reform Act of 2014".

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

(1) in subsection (d)—

(A) by striking paragraph (2) and inserting the following:

"(2)(A) Not later than June 30, 2016, the Office shall compute, and by June 30 of each succeeding year, the Office shall recompute, a schedule including a series of annual installments which provide for the liquidation of the amount described under subparagraph (B) (regardless of whether the amount is a liability or surplus) by September 30, 2055, or within 15 years, whichever is later, including interest at the rate used in the computations under this subsection.

"(B) The amount described in this subparagraph is the amount, as of the date on which the applicable computation or recomputation under subparagraph (A) is made, that is equal to the difference between—

"(i) 80 percent of the Postal Service actuarial liability as of September 30 of the preceding fiscal year; and

"(ii) the value of the assets of the Postal Retiree Health Benefits Fund as of September 30 of the preceding fiscal year.";

(B) in paragraph (3)—

(i) in subparagraph (A)—

(I) in clause (iii), by adding "and" at the end;

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

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

(ii) in subparagraph (B)—

(I) in the matter preceding clause (i), by striking "2017" and inserting "2016"; and

(II) in clause (ii), by striking "paragraph (2)(B)." and inserting "paragraph (2).";

(C) by amending paragraph (4) to read as follows:

"(4) Computations under this subsection shall be based on—

"(A) economic and actuarial methods and assumptions consistent with the methods and assumptions used in determining the Postal surplus or supplemental liability under section 8348(h); and

"(B) any other methods and assumptions, including a health care cost trend rate, that the Director of the Office determines to be appropriate."; and

(D) by adding at the end the following:

"(7) In this subsection, the term 'Postal Service actuarial liability' means the difference between—

"(A) the net present value of future payments required under section 8906(g)(2)(A) for current and future United States Postal Service annuitants; and

"(B) the net present value as computed under paragraph (1) attributable to the future service of United States Postal Service employees."; and

(2) by adding at the end the following:

"(e) Subsections (a) through (d) of this section shall be subject to section 104 of the Postal Reform Act of 2014.".

(c) CANCELLATION OF CERTAIN UNPAID OBLIGATIONS OF THE POSTAL SERVICE.—Any obligation of the Postal Service under section 8909a(d)(3)(A) of title 5, United States Code, as in effect on the day before the date of enactment of this Act, that remains unpaid as of such date of enactment is cancelled.

*(d) TECHNICAL AND CONFORMING AMENDMENT.—The heading of section 8909a of title 5, United States Code, is amended by striking "**Benefit**" and inserting "**Benefits**".*

SEC. 104. POSTAL SERVICE HEALTH BENEFITS PROGRAM.

(a) ESTABLISHMENT.—

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

"§ 8903c. Postal Service Health Benefits Program

"(a) DEFINITIONS.—In this section—

"(1) the term 'initial participating carrier' means a carrier that enters into a contract with the Office to participate in the Postal Service Health Benefits Program during the contract year beginning in January 2016;

"(2) the term 'Medicare eligible individual' means an individual who—

"(A) is entitled to Medicare part A, but excluding an individual who is eligible to enroll under such part under section 1818 of the Social Security Act (42 U.S.C. 1395i–2); and

"(B) is eligible to enroll in Medicare part B;

"(3) the term 'Medicare part A' means the Medicare program for hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.);

"(4) the term 'Medicare part B' means the Medicare program for supplementary medical insurance

benefits under part B of title XVIII of the Social Security Act (42 U.S.C. 1395j et seq.);

"(5) the term 'Medicare part D' means the Medicare insurance program established under part D of title XVIII of the Social Security Act (42 U.S.C. 1395w–101 et seq.);

"(6) the term 'Office' means the Office of Personnel Management;

"(7) the term 'Postal Service' means the United States Postal Service;

"(8) the term 'Postal Service annuitant' means an annuitant enrolled in a health benefits plan under this chapter whose Government contribution is paid by the Postal Service or the Postal Service Retiree Health Benefits Fund under section 8906(g)(2);

"(9) the term 'Postal Service employee' means an employee of the Postal Service enrolled in a health benefits plan under this chapter;

"(10) the term 'Postal Service Health Benefits Program' means the program of health benefits plans established under subsection (c);

"(11) the term 'Postal Service Medicare eligible annuitant' means an individual who—

"(A) is a Postal Service annuitant; and

"(B) is a Medicare eligible individual;

"(12) the term 'PSHBP plan' means a health benefits plan offered under the Postal Service Health Benefits Program; and

"(13) the term 'qualified carrier' means a carrier for which the total enrollment in the plans provided under this chapter includes, in the contract year beginning in January 2015, 5,000 or more enrollees who are—

"(A) Postal Service employees; or

"(B) Postal Service annuitants.

"(b) APPLICATION OF SECTION.—The requirements under this section shall—

"(1) apply to the contract year beginning in January 2016, and each contract year thereafter; and

"(2) supersede other provisions of this chapter to the extent of any specific inconsistency, as determined by the Office.

"(c) ESTABLISHMENT OF THE POSTAL SERVICE HEALTH BENEFITS PROGRAM.—

"(1) IN GENERAL.—The Office shall establish the Postal Service Health Benefits Program, which shall—

"(A) consist of health benefit plans offered under this chapter;

"(B) include plans offered by—

"(i) each qualified carrier; and

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

"(C) be available for participation by all Postal Service employees, in accordance with subsection (d);

"(D) be available for participation by all Postal Service annuitants, in accordance with subsection (d);

"(E) not be available for participation by an individual who is not a Postal Service employee or Postal Service annuitant (except as a family member of such an employee or annuitant); and

"(F) be implemented and administered by the Office.

"(2) SEPARATE POSTAL SERVICE RISK POOL.—The Office shall ensure that each PSHBP plan includes rates, one for enrollment as an individual, one for enrollment for self plus one, and one for enrollment for self and family within each option in the PSHBP plan, that reasonably and equitably reflect the cost of benefits provided to a risk pool consisting solely of Postal Service employees and Postal Service annuitants (and family members of such employees

and annuitants), taking into specific account the reduction in benefits cost for the PSHBP plan due to the Medicare enrollment requirements under subsection (e) and any savings or subsidies resulting from subsection (f).

"(3) ACTUARIALLY EQUIVALENT COVERAGE.—The Office shall ensure that each carrier participating in the Postal Service Health Benefits Program provides coverage under the PSHBP plans offered by the carrier that is actuarially equivalent, as determined by the Director of the Office, to the coverage that the carrier provides under the health benefits plans offered by the carrier under the Federal Employee Health Benefits Program that are not PSHBP plans.

"(d) ELECTION OF COVERAGE.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), each Postal Service employee and Postal Service annuitant who elects to receive health benefits coverage under this chapter—

"(A) shall be subject to the requirements under this section; and

"(B) may only enroll in a PSHBP plan.

"(2) ANNUITANTS.—A Postal Service annuitant shall not be subject to this section if the Postal Service annuitant—

"(A) is enrolled in a health benefits plan under this chapter for the contract year beginning in January 2015 that is not a health benefits plan offered by an initial participating carrier, unless the Postal Service annuitant voluntarily enrolls in a PSHBP plan; or

"(B) resides in a geographic area for which there is not a PSHBP plan in which the Postal Service annuitant may enroll.

"(3) EMPLOYEES.—A Postal Service employee who is enrolled in a health benefits plan under this chapter for the contract year beginning in January 2015 that is not a health benefits plan offered by an initial participating carrier shall not be subject to the requirements under this section, except that—

"(A) if the Postal Service employee changes enrollment to a different health benefits plan under this chapter after the start of the contract year beginning in January 2016, the Postal Service employee may only enroll in a PSHBP plan; and

"(B) upon becoming a Postal Service annuitant, if the Postal Service employee elects to continue coverage under this chapter, the Postal

Service employee shall enroll in a PSHBP plan during the open season that is—

"(i) being held when the Postal Service employee becomes a Postal Service annuitant; or

"(ii) if the date on which the Postal Service employee becomes a Postal Service annuitant falls outside of an open season, the first open season following that date.

"(e) REQUIREMENT OF MEDICARE ENROLLMENT.—

"(1) POSTAL SERVICE MEDICARE ELIGIBLE ANNUITANTS.—A Postal Service Medicare eligible annuitant subject to this section may not continue coverage under the Postal Service Health Benefits Program unless the Postal Service Medicare eligible annuitant enrolls in Medicare part A, Medicare part B, and Medicare part D (as part of a prescription drug plan described in subsection (f)).

"(2) MEDICARE ELIGIBLE FAMILY MEMBERS.—If a family member of a Postal Service annuitant who is subject to this section is a Medicare eligible individual, the family member may not be covered under the Postal Service Health Benefits Program as a family member of the Postal Service annuitant unless the family member enrolls in Medicare part A, Medicare

part B, and Medicare part D (as part of a prescription drug plan described in subsection (f)).

"(f) MEDICARE PART D PRESCRIPTION DRUG BENEFITS.—The Office shall require each PSHBP plan to provide prescription drug benefits for Postal Service annuitants and family members who are eligible for Medicare part D through a prescription drug plan offered under a waiver under section 1860D–22 of the Social Security Act (42 U.S.C. 1395w–132).

"(g) POSTAL SERVICE CONTRIBUTION.—

"(1) IN GENERAL.—Subject to subsection (i), for purposes of applying section 8906(b) to the Postal Service, the weighted average shall be calculated in accordance with paragraph (2).

"(2) WEIGHTED AVERAGE CALCULATION.—Not later than October 1 of each year, the Office shall determine the weighted average of the rates established pursuant to subsection (c)(2) for PSHBP plans that will be in effect during the following contract year with respect to—

"(A) enrollments for self only;

"(B) enrollments for self plus one; and

"(C) enrollments for self and family.

"(h) RESERVES.—

"(1) SEPARATE RESERVES.—

"(A) IN GENERAL.—The Office shall ensure that each PSHBP plan maintains separate reserves (including a separate contingency reserve) with respect to the enrollees in the PSHBP plan in accordance with section 8909.

"(B) REFERENCES.—For purposes of the Postal Service Health Benefits Program, each reference to 'the Government' in section 8909 shall be deemed to be a reference to the Postal Service.

"(C) AMOUNTS TO BE CREDITED.—The reserves (including the separate contingency reserve) maintained by each PSHBP plan shall be credited with a proportionate amount of the funds in the existing reserves for health benefits plans offered by an initial participating carrier.

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

"(i) NO EFFECT ON EXISTING LAW.—Nothing in this section shall be construed as affecting section 1005(f) of title

39 regarding variations, additions, or substitutions to the provisions of this chapter.".

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

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

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

"8903c. Postal Service Health Benefits Program.".

(b) SPECIAL ENROLLMENT PERIOD FOR POSTAL SERVICE MEDICARE ELIGIBLE ANNUITANTS AND MEDICARE ELIGIBLE FAMILY MEMBERS OF POSTAL SERVICE ANNUITANTS.—

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

"(m)(1)(A) In the case of any individual who is subject to the enrollment requirement of section 8903c(e) of title

5, United States Code, who has elected not to enroll (or to be deemed enrolled) during the individual's initial enrollment period, there shall be a special enrollment period described in subparagraph (B).

"(B) The special enrollment period described in this subparagraph is the 6-month period, beginning on August 1, 2015 and ending on January 31, 2016.

"(2)(A) In the case of any individual who—

"(i) was initially not subject to the enrollment requirement of section 8903c(e) of title 5, United States Code;

"(ii) is eligible to enroll in a plan under chapter 89 of title 5, United States Code, because of an involuntary loss of health care coverage;

"(iii) upon the involuntary loss of health care coverage, becomes subject to the enrollment requirement of section 8903c(e) of title 5, United States Code, because of enrollment in a PSHBP plan; and

"(iv) has elected not to enroll (or to be deemed enrolled) during the individual's initial enrollment period,

there shall be a special enrollment period described in subparagraph (B).

"(B) The special enrollment period described in this subparagraph is the period of time equivalent to the period

of time in which the individual has the ability to enroll in a PSHBP plan due to the involuntary loss of health care coverage, pursuant to chapter 89 of title 5, United States Code, and its implementing regulations.

"(C) For purposes of this subsection, the term 'PSHBP plan' has the meaning under section 8903c(a) of title 5, United States Code.

"(3) In the case of an individual who enrolls during the special enrollment period provided under paragraphs (1) and (2), the coverage period under this part shall begin on the first day of the month in which the individual enrolls.".

(2) WAIVER OF INCREASE OF PREMIUM.—Section 1839(b) of the Social Security Act (42 U.S.C. 1395r(b)) is amended by striking "(i)(4) or (l)" and inserting "(i)(4), (l), or (m)".

SEC. 105. LABOR DISPUTES.

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

(1) in paragraph (2)—

(A) by inserting "(A)" after "(2)";

(B) by striking the last sentence and inserting "The arbitration board shall render a decision not later than 45 days after the date of its appointment."; and

(C) by adding at the end the following:

"(B) In rendering a decision under this paragraph, the arbitration board shall consider such relevant factors as the financial condition of the Postal Service."; and

(2) by adding at the end the following:

"(4) Nothing in this section may be construed to limit the relevant factors that the arbitration board may take into consideration in rendering a decision under paragraph (2).".

SEC. 106. PREFUNDING AND FINANCIAL REPORTING WITH RESPECT TO WORKERS' COMPENSATION LIABILITY.

(a) FINANCIAL PROVISIONS RELATING TO WORKERS' COMPENSATION LIABILITY.—

(1) IN GENERAL.—Chapter 20 of title 39, United States Code, is amended by adding at the end the following:

"§ 2012. Provisions relating to workers' compensation prefunding

"(a) DEFINITIONS.—

"(1) IN GENERAL.—In this section—

"(A) the term 'adjusted net income', except as provided in paragraph (2), means the net income (or loss) reported by the Postal Service in the statement of operations included in the an-

nual report required under section 3654(a)(1)(B);

"(B) the term 'Fund' means the Postal Service Workers' Compensation Accrued Liability Fund established under subsection (b); and

"(C) the term 'Postal Service actuarial liability' means, as of September 30 of a fiscal year, the net present value of projected future payments required to be made by the Postal Service under section 8147 of title 5 (including any payments required to be made from the Fund under subsection (f) of this section) on account of injuries or deaths that occurred during that fiscal year or any preceding fiscal year.

"(2) CALCULATION OF ADJUSTED NET INCOME.—In calculating adjusted net income for a fiscal year—

"(A) any payment made under subsection (e) shall not be taken into account; and

"(B) any change in the net present value of projected future payments required to be made by the Postal Service under section 8147 of title 5 shall not be taken into account.

"(b) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund, to be called

the Postal Service Workers' Compensation Accrued Liability Fund.

"(c) AVAILABILITY.—The Fund shall be available without fiscal year limitation for payments required under subsection (f).

"(d) INVESTMENT.—

"(1) IN GENERAL.—The Secretary of the Treasury shall immediately invest, in interest-bearing securities of the United States, such currently available portions of the Fund as are not immediately required for payments from the Fund.

"(2) MANNER OF INVESTMENTS.—Investments under paragraph (1) shall be made in the same manner as investments for the Civil Service Retirement and Disability Fund under section 8348 of title 5.

"(e) PAYMENTS TO FUND.—

"(1) COST ATTRIBUTABLE TO 1 YEAR OF EMPLOYEES' SERVICE.—Not later than June 30, 2017, and not later than June 30 of each year thereafter, the Postal Service shall compute—

"(A) with respect to each of the 3 preceding fiscal years, the net present value, as of September 30 of the fiscal year, of projected future payments required to be paid by the Postal Service under section 8147 of title 5 on account of in-

juries or deaths that occurred during the fiscal year;

"(B) for each of the 3 amounts computed under subparagraph (A), the sum of—

"(i) the amount; and

"(ii) accrued interest on the amount through September 30 of the preceding fiscal year; and

"(C) the average of the 3 sums computed under subparagraph (B).

"(2) LIQUIDATION SCHEDULE.—

"(A) COMPUTATION; RECOMPUTATION.—Not later than June 30, 2017, the Postal Service shall compute, and not later than June 30 of each year thereafter the Postal Service shall recompute, a schedule including a series of annual installments that provide for the liquidation of the amount described in subparagraph (B) (regardless of whether the amount is a liability or surplus), including interest at the rate used in the computations under paragraph (1), by the later of—

"(i) September 30, 2057; or

"(ii) September 30 of the fiscal year that is 15 years after the fiscal year in

which the computation or recomputation is made.

"(B) AMOUNT TO BE LIQUIDATED.—The amount described in this subparagraph is the difference between—

"(i) the difference between—

"(I) 80 percent of the Postal Service actuarial liability as of September 30 of the preceding fiscal year; and

"(II) 80 percent of the amount computed under paragraph (1)(C) as of September 30 of the preceding fiscal year; and

"(ii) the value of the assets of the Fund as of September 30 of the preceding fiscal year.

"(3) LIQUIDATION OF LIABILITY.—

"(A) IN GENERAL.—Subject to subparagraph (B), not later than September 30, 2018, and not later than September 30 of each year thereafter, the Postal Service shall pay into the Fund the lesser of—

"(i) the sum of—

"(I) 80 percent of the amount computed under paragraph (1)(C) during the fiscal year; and

"(II) any annual installment computed under paragraph (2)(A); and

"(ii) the amount by which—

"(I) the amount of adjusted net income earned by the Postal Service during the fiscal year that ended 1 year before the date by which a payment is required to be made under this subparagraph; exceeds

"(II) $1,000,000,000.

"(B) EXCEPTION.—If the amount of adjusted net income earned by the Postal Service during a fiscal year does not exceed $1,000,000,000, the Postal Service shall not be required to make a payment under this paragraph during the subsequent fiscal year.

"(f) PAYMENTS FROM FUND.—

"(1) IN GENERAL.—Beginning with the fiscal year ending on September 30, 2018, for each payment that the Postal Service is required to make under section 8147 of title 5 during the fiscal year—

"(A) a fraction of the amount of the payment shall be paid from the Fund in accordance with paragraph (2) of this subsection; and

"(B) the remaining amount of the payment shall be paid by the Postal Service.

"(2) FRACTION.—The fraction to be paid from the Fund, as required under paragraph (1), is, with respect to the fiscal year during which the payment is required to be made, the quotient of—

"(A) the value of the assets of the Fund as of September 30 of the preceding fiscal year; and

"(B) the sum of—

"(i) the Postal Service actuarial liability as of the end of the fiscal year before the preceding fiscal year, plus interest accrued on that amount through the end of the preceding fiscal year; and

"(ii) the amount calculated under subsection (e)(1)(C) as of the end of the fiscal year before the preceding fiscal year, plus interest accrued on that amount through the end of the preceding fiscal year.

"(g) ASSUMPTIONS AND METHODOLOGY.—The assumptions and methodology used in the computations under this section shall be consistent, insofar as reasonable and

appropriate, with the assumptions and methodology used by the Postal Service in making computations of its assets and liabilities for the financial reporting required under section 3654.".

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 20 of title 39, United States Code, is amended by adding at the end the following:

"2012. Provisions relating to workers' compensation prefunding.".

(b) ADDITIONAL ANNUAL FINANCIAL REPORTING.—

(1) IN GENERAL.—Section 3654(b) of title 39, United States Code, is amended by adding at the end the following:

"(4)(A) Each report required by subsection (a)(1)(B) shall include, with respect to the workers' compensation obligations of the Postal Service—

"(i) as of the last day of the fiscal year to which the report applies, the amount of the Postal Service actuarial liability;

"(ii) the value of the assets in the Fund, and the difference between that amount and the amount of the Postal Service actuarial liability;

"(iii) the amounts calculated under paragraphs (1) and (2) of section 2012(e);

"(iv) significant methods and assumptions underlying the relevant actuarial valuations;

"(v) any payments to the Fund and from the Fund for the fiscal year to which the report applies; and

"(vi) the assumed rate of return on balances of the Fund and the actual rate of return for the fiscal year to which the report applies.

"(B) In this paragraph, the terms 'Fund' and 'Postal Service actuarial liability' have the meaning given those terms in section 2012(a).".

(2) APPLICABILITY.—The amendment made by paragraph (1) shall apply with respect to the report required under section 3654(a)(1)(B) of title 39, United States Code, for the fiscal year ending on September 30, 2014, and to such report for each fiscal year thereafter.

SEC. 107. RIGHT OF APPEAL TO MERIT SYSTEMS PROTECTION BOARD.

Section 1005(a)(4)(A)(ii)(I) of title 39, United States Code, is amended to read as follows:

"(I) is an officer or employee of the Postal Service who—

"(aa) is not represented by a bargaining representative recognized under section 1203; and

"(bb) is in a supervisory, professional, technical, clerical, administrative, or managerial position covered by the Executive and Administrative Schedule; and".

SEC. 108. SUPERVISORY AND OTHER MANAGERIAL ORGANIZATIONS.

Section 1004 of title 39, United States Code, is amended—

(1) in subsection (a), by inserting "and fringe benefits" after "differentials in rates of pay";

(2) in subsection (b), in the second sentence, by inserting "as provided under subsection (d) and any changes in, or termination of, pay policies and schedules and fringe benefit programs for members of the supervisors' organization as provided under subsection (e). Such pay policies and fringe benefit programs shall reflect adequate differentials in rates of pay and fringe benefits as provided under subsection (a)" before the period; and

(3) in subsection (e)(1), by inserting ", or termination of," after "any changes in".

TITLE II—POSTAL SERVICE OPERATIONS

SEC. 201. MAINTENANCE OF DELIVERY SERVICE STANDARDS.

(a) MORATORIUM ON CHANGES IN DELIVERY SERVICE STANDARDS.—The Postal Service shall maintain the service standards for first-class mail and periodicals under part 121 of title 39, Code of Federal Regulations, as in effect on October 1, 2013, until the later of—

(1) the date that is 2 years after the date of enactment of this Act; or

(2) the date that is 1 year after the date on which the Comptroller General of the United States submits the report required under subsection (b)(2).

(b) GAO STUDY AND REPORT.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study that assesses—

(A) how the Postal Service measures delivery times for the purpose of determining whether service standards have been met; and

(B) whether the method used by the Postal Service to measure delivery times reflects the total period of time beginning when a mailed item is transferred from a postal customer and

ending when the mailed item arrives at its final destination.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report on the findings of the study conducted under paragraph (1) that includes recommendations as to whether the Postal Service should use additional or improved methods to—

(A) measure the actual delivery times experienced by postal customers; and

(B) assess compliance with the service standards promulgated under section 3691 of title 39, United States Code.

(3) CONSULTATION.—In conducting the study under paragraph (1), the Comptroller General shall consult with the Commission to the extent appropriate.

(c) ALTERNATE MEANS OF TRANSPORTATION CONTRACTS.—

(1) MAINTENANCE OF DELIVERY SERVICE STANDARDS.—Notwithstanding subsection (a), during the 2-

year period beginning on the date of enactment of this Act, the Postal Service shall apply the service standards for first-class mail and periodicals under part 121 of title 39, Code of Federal Regulations, as in effect on June 30, 2012, to routes on which, as of June 30, 2012, first-class mail and periodicals were transported under Alternate Means of Transportation contracts with the Postal Service.

(2) RESTRICTION ON DISCONTINUANCE OF ALTERNATE MEANS OF TRANSPORTATION CONTRACTS.—Section 404 of title 39, United States Code, as amended by section 302, is amended by adding at the end the following:

"(i) ALTERNATIVE MEANS OF TRANSPORTATION CONTRACTS.—

"(1) DEFINITION.—In this subsection, the term 'covered route' means a route on which first-class mail and periodicals are transported under an Alternate Means of Transportation contract.

"(2) REQUIREMENTS BEFORE CHANGING TO OTHER MEANS OF TRANSPORTATION.—The Postal Service, prior to making a determination under subsection (a)(1) to transport first-class mail or periodicals on a covered route using a means other than

under an Alternate Means of Transportation contract, shall consider—

"(A) the effect of the change on—

"(i) each community served by the covered route;

"(ii) businesses, including small businesses, in the area served by the covered route; and

"(iii) employees of the Postal Service involved in transportation on the covered route;

"(B) whether the change is consistent with the policy of the Government, as stated in section 101(b), that the Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining;

"(C) the extent to which each community served by the covered route lacks access to Internet service;

"(D) the extent to which postal customers served by the covered route would continue after the change to receive substantially similar access to essential items and time-sensitive communications;

"(E) whether substantial economic savings to the Postal Service would result from the change;

"(F) the average daily volume of mail transported on the covered route;

"(G) any change in the volume of mail transported on the covered route during the preceding 12 months;

"(H) the capacity of available transportation service providers to meet the volume needs of the Postal Service on the covered route;

"(I) the ability of the Postal Service to procure and access additional transportation capacity to meet the volume needs of the Postal Service on the covered route;

"(J) the impact of the change on postal facilities (as that term is defined in subsection (f)) that use the covered route;

"(K) the ability of postal facilities described in subparagraph (J) to continue to provide service that complies with applicable service standards after the change; and

"(L) any other factors that the Postal Service determines are necessary.

"(3) DETERMINATIONS.—Any determination of the Postal Service to transport first-class mail or periodicals on a covered route using a means other than under an Alternate Means of Transportation contract shall—

"(A) be in writing;

"(B) include the findings of the Postal Service with respect to the considerations required to be made under paragraph (2); and

"(C) be made available by public notice to persons served by the covered route.

"(4) ADVANCE NOTICE OF DETERMINATIONS.—The Postal Service shall take no action to transport first-class mail or periodicals on a covered route using a means other than under an Alternate Means of Transportation contract until 60 days after the date on which the Postal Service makes available to persons served by the covered route a written determination under paragraph (3).".

(3) REPORT.—Not later than 2 years after the date of enactment of this Act, the Postal Service shall submit to Congress a report on potential cost savings resulting from any decision made during the 2-year period beginning on the date of enactment of this Act—

(A) to transport first-class mail or periodicals on a covered route (as defined in section 404(i)(1) of title 39, United States Code, as added by this section) using a means other than under an Alternate Means of Transportation contract; or

(B) to discontinue a post office.

SEC. 202. PRESERVING MAIL PROCESSING CAPACITY; REVIEW OF DISCONTINUANCES, CLOSINGS, AND CONSOLIDATIONS.

(a) MORATORIUM ON CLOSING OR CONSOLIDATION OF POSTAL FACILITIES.—The Postal Service may not close or consolidate any postal facility (as that term is defined in section 404(f) of title 39, United States Code, as added by this section) that was open as of October 1, 2013 until the later of—

(1) the date that is 2 years after the date of enactment of this Act; or

(2) the date that is 1 year after the date on which the Comptroller General of the United States submits the report on delivery service standards required under section 201(b)(2).

(b) PROCEDURES FOR CLOSING OR CONSOLIDATION OF POSTAL FACILITIES.—Section 404 of title 39, United States Code, is amended by adding at the end the following:

"(f) CLOSING OR CONSOLIDATION OF CERTAIN POSTAL FACILITIES.—

"(1) DEFINITION.—In this subsection, the term 'postal facility' means a processing and distribution center, processing and distribution facility, network distribution center, or other facility that is operated by the Postal Service, the primary function of which is to sort and process mail.

"(2) AREA MAIL PROCESSING STUDIES.—

"(A) APPLICABILITY.—In this paragraph—

"(i) the term 'area mail processing study' means an area mail processing feasibility study described in section 2–1 of Handbook PO–408 of the Postal Service, entitled 'Area Mail Processing Guidelines', as in effect on October 1, 2013;

"(ii) the term 'closing', with respect to a covered postal facility, means the transfer of all incoming and outgoing mail sortation and processing operations of the covered postal facility to a different covered postal facility;

"(iii) the term 'consolidate', with respect to a covered postal facility, means the transfer of either all incoming or all out-

going mail sortation and processing operations of the covered postal facility to a different covered postal facility; and

"(iv) the term 'covered postal facility' means a postal facility, the primary function of which is to sort and process first-class mail originating or designating within a defined geographic area.

"(B) NEW AREA MAIL PROCESSING STUDIES.—Before making a determination under subsection (a)(3) as to the necessity for the closing or consolidation of a covered postal facility, the Postal Service shall—

"(i) conduct an area mail processing study relating to the covered postal facility that includes consideration of a plan to reduce the capacity of the covered postal facility without closing the covered postal facility; and

"(ii) upon completing the study under clause (i)—

"(I) publish the results of the study on the website of the Postal Service; and

"(II) publish a notice that the study is complete and the results of the study are available to the public, including on the website of the Postal Service.

"(C) COMPLETED OR ONGOING AREA MAIL PROCESSING STUDIES.—

"(i) IN GENERAL.—In the case of a covered postal facility described in clause (ii), the Postal Service shall—

"(I) consider a plan to reduce the capacity of the covered postal facility without closing the covered postal facility; and

"(II) publish the results of the consideration under subclause (I) with or as an amendment to the area mail processing study relating to the covered postal facility.

"(ii) POSTAL FACILITIES.—A covered postal facility described in this clause is a covered postal facility—

"(I) for which, as of the date of enactment of this subsection, an area mail processing study—

"(aa) has been completed but does not include a plan to reduce the capacity of the covered postal facility without closing the covered postal facility; or

"(bb) is in progress; and

"(II) which, as of the date of enactment of this subsection, has not been closed or consolidated.

"(3) NOTICE, PUBLIC COMMENT, AND PUBLIC HEARING.—If the Postal Service makes a determination under subsection (a)(3) to close or consolidate a postal facility, the Postal Service shall—

"(A) provide notice of the determination to—

"(i) Congress; and

"(ii) the Postal Regulatory Commission;

"(B) provide adequate public notice of the intention of the Postal Service to close or consolidate the postal facility;

"(C) ensure that interested persons have an opportunity to submit public comments during a 45-day period after the Postal Service provides the notice of intention under subparagraph (B);

"(D) before the 45-day period described in subparagraph (C), provide public notice of the opportunity under subparagraph (C) to submit public comments during that period by—

"(i) publication on the website of the Postal Service;

"(ii) posting at the affected postal facility; and

"(iii) publicizing the date and location of the public community meeting under subparagraph (E); and

"(E) during the 45-day period described in subparagraph (C), conduct a public meeting that provides an opportunity for comments to be submitted verbally or in writing.

"(4) FURTHER CONSIDERATIONS.—The Postal Service, in making a determination under subsection (a)(3) to close or consolidate a postal facility, shall consider—

"(A) the views presented by interested persons under paragraph (3);

"(B) the effect of the closing or consolidation on the affected community, including the impact the closing or consolidation may have on a State, region, or locality;

"(C) the effect of the closing or consolidation on the travel times and distances for affected customers to access services under the proposed closing or consolidation;

"(D) the effect of the closing or consolidation on delivery times for all classes of mail and packages;

"(E) any characteristics of certain geographical areas, such as remoteness, broadband internet availability with a lower rates of access than the average rate of access in other geographical areas of the United States, and weather-related obstacles, that may result in the closing or consolidation having a unique effect;

"(F) the effect of the closing or consolidation on small businesses in the area, including shipping and communications with customers and suppliers and the corresponding impact on revenues, operations, and growth;

"(G) the extent to which significant changes in delivery service resulting from the closure or consolidation of the postal facility would affect the ability of individuals and businesses in the region served by the postal facility to participate in the national economy;

"(H) the ability of the Postal Service to maintain a safe working environment at each postal facility that, as a result of the closing or consolidation, would process the mail that had been processed by the closed or consolidated postal facility, including by examining—

"(i) the capacity of each affected postal facility to process a greater volume of mail;

"(ii) the ability of the workforce at each affected postal facility to handle a larger workload; and

"(iii) whether the Postal Service would need to hire additional employees at affected postal facilities to process the increased volume of mail;

"(I) the extent to which the Postal Service can take action to mitigate significant negative impacts identified through the considerations under this paragraph; and

"(J) any other factor the Postal Service determines is necessary.

"(5) NOTICE OF FINAL DETERMINATION; JUSTIFICATION STATEMENT.—If the Postal Service determines to close or consolidate a postal facility, the

Postal Service shall post on the website of the Postal Service—

"(A) notice of the final determination to close or consolidate the postal facility; and

"(B) a closing or consolidation justification statement that includes—

"(i) a response to the public comments received with respect to the considerations described under paragraph (4);

"(ii) a description of the considerations made by the Postal Service under paragraph (4); and

"(iii) the actions that the Postal Service will take to mitigate any significant negative effects identified under paragraph (4).

"(6) CLOSING OR CONSOLIDATION OF POSTAL FACILITIES.—

"(A) IN GENERAL.—Not earlier than 15 days after the date on which the Postal Service posts notice of a final determination and a justification statement under paragraph (5) with respect to a postal facility, the Postal Service may close or consolidate the postal facility.

"(B) ALTERNATIVE INTAKE OF MAIL.—If the Postal Service closes or consolidates a postal facility under subparagraph (A), the Postal Service shall make reasonable efforts to ensure continued mail receipt from customers of the closed or consolidated postal facility at the same location or at another appropriate location in close geographic proximity to the closed or consolidated postal facility.

"(7) PROTECTION OF CERTAIN INFORMATION.—Nothing in this subsection shall be construed to require the Postal Service to disclose any—

"(A) proprietary data;

"(B) information relating to the security of a postal facility; or

"(C) information that is exempt from disclosure under section 552 of title 5.

"(8) POSTAL REGULATORY COMMISSION APPEALS.—

"(A) RIGHT TO APPEAL.—A determination of the Postal Service to close or consolidate any postal facility may be appealed by any person served by the postal facility to the Postal Regulatory Commission not later than 30 days after

the date on which the determination is posted on the Postal Service website under paragraph (5).

"(B) REVIEW BASED ON RECORD.—The Commission shall review a determination appealed under this paragraph on the basis of the record before the Postal Service in the making of the determination.

"(C) DEADLINE FOR COMMISSION DETERMINATION.—The Commission shall make a determination based upon a review conducted under subparagraph (B) not later than 90 days after the date on which the Commission receives the appeal of the determination under subparagraph (A).

"(D) BASES FOR SETTING ASIDE POSTAL SERVICE DETERMINATIONS.—In making a determination under subparagraph (C), the Commission shall set aside any determination, finding, or conclusion of the Postal Service that the Commission determines—

"(i) is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law;

"(ii) is without observance of the procedures required under this subsection or any other applicable law; or

"(iii) is unsupported by substantial evidence on the record.

"(E) OPTION TO AFFIRM OR REMAND.—The Commission—

"(i) may affirm a determination of the Postal Service appealed under this paragraph or order that the entire matter be returned for further consideration; and

"(ii) may not modify the determination of the Postal Service.

"(F) TEMPORARY SUSPENSION.—The Commission may suspend the effectiveness of a determination of the Postal Service appealed under this paragraph until the final disposition of the appeal.

"(G) APPLICABILITY OF OTHER LAWS.—The provisions of section 556, section 557, and chapter 7 of title 5 shall not apply to any review carried out by the Commission under this paragraph.

"(H) DATE OF RECEIPT OF APPEAL.—For purposes of subparagraph (A), any appeal received by the Commission shall—

"(i) if sent to the Commission through the mails, be considered to have been received on the date of the Postal Service postmark on the envelope or other cover in which the appeal is mailed; or

"(ii) if otherwise lawfully delivered to the Commission, be considered to have been received on the date determined based on any appropriate documentation or other indicia (as determined under regulations of the Commission).".

SEC. 203. PRESERVING COMMUNITY POST OFFICES.

Section 404(d) of title 39, United States Code, is amended—

(1) by striking "(6) For purposes of paragraph (5)" and inserting the following:

"(8) DATE OF RECEIPT OF APPEALS.—For purposes of paragraph (7)";

(2) by striking "(5) A determination" and inserting the following:

"(7) APPEALS.—A determination";

(3) by striking "(d)(1) The Postal Service" and all that follows through the end of paragraph (4) and inserting the following:

"(d) DISCONTINUANCE OF POST OFFICES.—

"(1) DEFINITIONS.—In this subsection—

"(A) the term 'discontinuance' has the meaning given the term in section 241.3 of title 39, Code of Federal Regulations, as in effect on November 1, 2013;

"(B) the term 'local government' means—

"(i) a county, municipality, city, town, township, local public authority, special district, intrastate district, council of government, or regional or interstate government entity;

"(ii) an agency or instrumentality of an entity described in clause (i); or

"(iii) a rural community, an unincorporated town or village, or an instrumentality of a rural community or an unincorporated town or village;

"(C) the term 'post office' means a post office, post office branch, post office classified station, or other facility that is operated by the

Postal Service, the primary function of which is to provide retail postal services; and

"(D) the term 'rural post office' means a post office that is—

"(i) in a rural area, as defined by the Census Bureau; and

"(ii) within the K or L cost ascertainment grouping, as classified by the Postal Service.

"(2) PRELIMINARY CONSIDERATIONS.—The Postal Service, prior to making a determination under subsection (a)(3) of this section as to the necessity for the discontinuance of any post office, and, with respect to a determination to discontinue a rural post office, prior to making the determinations required under paragraph (5), shall—

"(A) consider whether—

"(i) to discontinue the post office and combine it with another post office located within a reasonable distance;

"(ii) instead of discontinuing the post office—

"(I) to reduce the number of hours a day that the post office operates; or

"(II) to continue operating the post office for the same number of hours a day;

"(iii) to procure a contract providing full, or less than full, retail postal services in the community served by the post office; or

"(iv) to provide postal services to the community served by the post office—

"(I) through a letter carrier or by Alternate Means of Transportation delivery contract;

"(II) by colocating postal services at a commercial or government entity; or

"(III) by implementing an alternative proposal made by a local government under subparagraph (B)(iii);

"(B) provide—

"(i) relevant information on financial costs associated with the operations of the post office to postal customers and local governments served by the post office;

"(ii) postal customers served by the post office an opportunity to present their

views, which may be by nonbinding survey conducted by mail; and

"(iii) local governments served by the post office an opportunity to present alternative proposals for providing postal services to the community; and

"(C) if the Postal Service determines to discontinue the post office, provide adequate public notice of its intention to discontinue the post office at least 60 days prior to the proposed date of the discontinuance to persons and local governments served by the post office.

"(3) CONSIDERATIONS.—The Postal Service, in making a determination whether or not to discontinue a post office—

"(A) shall consider—

"(i) the effect of the discontinuance on the community served by the post office;

"(ii) the effect of the discontinuance on businesses, including small businesses, in the area;

"(iii) the effect of the discontinuance on employees of the Postal Service employed at the post office;

"(iv) whether the discontinuance would have a significant adverse effect on regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining;

"(v) the extent to which the community served by the post office lacks access to Internet, broadband, or cellular telephone service;

"(vi) the extent to which postal customers served by the post office would continue after the discontinuance to receive substantially similar access to essential items, such as prescription drugs and time-sensitive communications;

"(vii) the proximity and accessibility of other post offices;

"(viii) whether substantial economic savings to the Postal Service would result from the discontinuance; and

"(ix) any other factors that the Postal Service determines are necessary; and

"(B) may not consider compliance with any provision of the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.).

"(4) WRITTEN DETERMINATION AND FINDINGS.—

"(A) IN GENERAL.—Any determination of the Postal Service to discontinue a post office shall—

"(i) be in writing;

"(ii) include the findings of the Postal Service with respect to the considerations required to be made under paragraph (3); and

"(iii) with respect to a determination to discontinue a rural post office, include a summary of the determinations required under paragraph (5).

"(B) AVAILABILITY OF FINDINGS.—The Postal Service shall make available, to persons served by a post office that the Postal Service determines to discontinue, any determination and findings under subparagraph (A) with respect to that post office.

"(C) NOTICE BEFORE DISCONTINUANCE.—The Postal Service may not take any action to discontinue a post office until 60 days after the date on which the Postal Service makes available, to persons served by the post office, the written determination and findings with respect

to the post office as required under subparagraph (B).

"(5) RURAL POST OFFICES.—

"(A) MORATORIUM ON DISCONTINUANCE OF RURAL POST OFFICES.—The Postal Service may not discontinue a rural post office during the 1-year period beginning on the date of enactment of the Postal Reform Act of 2014.

"(B) REQUIREMENTS FOR DISCONTINUANCE OF RURAL POST OFFICES.—The Postal Service may not make a determination under subsection (a)(3) to discontinue a rural post office unless the Postal Service—

"(i)(I) determines that postal customers served by the post office would continue after the discontinuance to receive substantially similar access to essential items, such as prescription medications and time-sensitive communications, that are sent through the mails; or

"(II) takes action to substantially ameliorate any projected reduction in access to essential items described in subclause (I); and

"(ii) determines that—

"(I) there is unlikely to be substantial economic loss to the community served by the post office as a result of the discontinuance;

"(II) the area served by the post office has adequate access to broadband Internet service, as identified on the National Broadband Map of the National Telecommunications and Information Administration; and

"(III) there is a road with year-round access connecting the community to another post office that is within 10 miles from the post office proposed to be discontinued.

"(C) STUDY AND REPORT.—

"(i) STUDY.—The Inspector General shall conduct a study after the discontinuance of a rural post office under this section, which shall include—

"(I) the actual cost savings resulting from the discontinuance; and

"(II) a comparison between the findings described in subclause (I) and the cost savings that the Postal Service

predicted would result from the discontinuance.

"(ii) REPORT.—Not later than 2 years after the date of the discontinuance of a rural post office under this section, the Inspector General shall submit a report on the findings of the study conducted under clause (i) with respect to the rural post office to—

"(I) the Postal Regulatory Commission;

"(II) the Board of Governors;

"(III) the Committee on Homeland Security and Governmental Affairs of the Senate;

"(IV) the Committee on Oversight and Government Reform of the House of Representatives;

"(V) the Member of the House of Representatives in whose district the rural post office was located; and

"(VI) the Senators in whose State the rural post office was located.

"(iii) SUNSET.—This subparagraph is repealed effective 10 years after the date of enactment of the Postal Reform Act of 2014.

"(6) REDUCTIONS IN HOURS OF OPERATION.—

"(A) CONSIDERATIONS.—The Postal Service, prior to making a determination under paragraph (2)(A)(ii)(I) to reduce the number of hours per day that a post office operates, shall consider—

"(i) the impact of the proposed reduction in hours on local businesses;

"(ii) the effect of the proposed reduction in hours on the community served by the post office;

"(iii) the ability of the Postal Service to hire qualified employees to operate the post office during the reduced hours;

"(iv) the proximity and accessibility of other post offices within 15 miles of the post office, and the hours those post offices are open;

"(v) the impact of the proposed reduction in hours on the elderly and other vulnerable populations; and

"(vi) the impact of alternative schedules on the community served by the post office, including consideration of which schedules would most effectively mitigate any

negative impacts identified under clauses (i) through (v).

"(B) FINDINGS.—If the Postal Service determines, after considering the factors under subparagraph (A), to reduce the number of hours per day that a post office operates, the Postal Service shall make available to persons served by the post office—

"(i) a summary of the findings of the Postal Service under subparagraph (A);

"(ii) the hours during which the post office will be open; and

"(iii) an explanation of the change in hours referred to in clause (ii).";

(4) in paragraph (7), as so designated—

(A) by striking "close or consolidate" and inserting "discontinue";

(B) by striking "under paragraph (3)" and inserting "under paragraph (4)";

(C) by moving subparagraphs (A), (B), and (C) 2 ems to the right; and

(D) by moving the flush text following subparagraph (C) 2 ems to the right;

(5) in paragraph (8), as so designated, by moving subparagraphs (A) and (B) 2 ems to the right; and

(6) by adding at the end the following:

"(9) MINIMUM RETAIL STANDARDS.—The Postal Service shall establish minimum standards for retail postal services.".

SEC. 204. CHANGES TO MAIL DELIVERY SCHEDULE.

(a) LIMITATION ON CHANGE IN SCHEDULE.—

(1) IN GENERAL.—The Postal Service may establish a general, nationwide delivery schedule of 5 days per week to street addresses under the authority of the Postal Service under title 39, United States Code—

(A) if the Postal Service determines that such a delivery schedule would contribute to the achievement of long-term solvency; and

(B) at any time after the total mail volume during any period of 4 consecutive quarters, beginning with the first full quarter after the date of enactment of this Act, is less than 140,000,000,000 pieces, as reported in the Form 10–Q quarterly reports filed by the Postal Service with the Commission under section 3654(a)(1)(A) of title 39, United States Code.

(2) CONTINUATION OF AUTHORITY.—If each condition under subsection (a)(1) is satisfied, the fact that total mail volume during any period of 4 consecutive quarters, after the first quarter of the period described in subsection (a)(1)(B), exceeds 140,000,000,000 pieces shall not affect the continued authority of the Postal Service to establish or maintain a nationwide delivery schedule of 5 days per week.

(3) LIMITATION.—Notwithstanding any other provision of this subsection or subsection (d)(3), the Postal Service may not establish a nationwide delivery schedule of 5 days per week earlier than October 1, 2017.

(b) IMPLEMENTATION.—If the Postal Service intends to establish a change in delivery schedule under subsection (a), the Postal Service shall—

(1) identify customers and communities for whom the change may have a disproportionate, negative impact, including small business customers, the elderly, those who live in locations without access to broadband Internet service, and the customers identified as "particularly affected" in the Advisory Opinion on Elimination of Saturday Delivery issued by the Commission on March 24, 2011;

(2) develop measures to ameliorate any disproportionately negative impact the change would have on customers and communities identified under paragraph (1);

(3) implement measures to increase revenue and reduce costs, including the measures authorized under this Act and the amendments made by this Act;

(4) evaluate whether any increase in revenue or reduction in costs, or anticipated increase in revenue or reduction in costs, resulting from the measures implemented under paragraph (3) are sufficient to allow the Postal Service, without implementing a change in delivery schedule under subsection (a), to achieve long-term solvency; and

(5) not earlier than 2 years and not later than 6 months before the effective date for any proposed change, submit a report that includes the determination required under subsection (a)(1) and details any measures developed or implemented pursuant to paragraph (2) or (3) of this subsection to—

(A) the Committee on Homeland Security and Governmental Affairs of the Senate;

(B) the Committee on Oversight and Government Reform of the House of Representatives;

(C) the Commission; and

(D) the Comptroller General of the United States.

(c) GAO REPORT.—Not later than 3 months after the date on which the Comptroller General receives the report submitted by the Postal Service under subsection (b)(5), the Comptroller General shall submit to the Postal Service, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Oversight and Government Reform of the House of Representatives a report evaluating the extent to which—

(1) a change in delivery schedule would improve the financial condition of the Postal Service and assist in the efforts of the Postal Service to achieve long-term solvency, taking into consideration other ongoing and planned efforts to increase revenue and reduce costs, consistent with the requirements under this Act; and

(2) the Postal Service has complied with each of the requirements under subsection (b).

(d) POSTAL SERVICE RESPONSE TO GAO REPORT.—

(1) IN GENERAL.—The Postal Service shall review the report submitted by the Comptroller General under subsection (c) and submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Govern-

ment Reform of the House of Representatives a response to the report if the report includes a finding by the Comptroller General that—

(A) the proposed change in delivery schedule would not substantially improve the financial condition of the Postal Service and assist in the efforts of the Postal Service to achieve long-term solvency; or

(B) the Postal Service has not complied with each of the requirements under subsection (b).

(2) CONTENTS OF RESPONSE.—A response by the Postal Service under paragraph (1) shall include—

(A) a statement regarding whether the Postal Service agrees with each finding of the Comptroller General described in subparagraph (A) or (B) of paragraph (1);

(B) a statement regarding whether the Postal Service intends to reevaluate whether to establish a change in delivery schedule under subsection (a) based on the overall findings of the Comptroller General; and

(C) if the Postal Service intends to establish the proposed change in delivery schedule, the jus-

tification of the Postal Service for doing so in light of the findings of the Comptroller General.

(3) PROHIBITION ON IMPLEMENTATION OF CHANGE IN DELIVERY SCHEDULE.—The Postal Service may not implement a change in delivery schedule under subsection (a) until 60 days after the date on which the Postal Service submits the response required under paragraph (2).

(e) RULES OF CONSTRUCTION.—Nothing in this section shall be construed to—

(1) require the decrease or increase in delivery frequency for any route for which the Postal Service provided delivery on fewer than 6 days per week as of the date of enactment of this Act;

(2) require that the Postal Service deliver mail on Federal holidays;

(3) authorize any change in—

(A) the days and times that postal retail service or any mail acceptance is available at postal retail facilities or processing facilities; or

(B) the locations at which postal retail service or mail acceptance occurs at postal retail facilities or processing facilities;

(4) require any change in the frequency of delivery to a post office box;

(5) prohibit the collection or delivery of a competitive mail product on a weekend, a recognized Federal holiday, or any other specific day of the week;

(6) prohibit the Postal Service from exercising its authority to make changes to processing or retail networks; or

(7) confer a cause of action, either express or implied.

(f) PACKAGES.—Notwithstanding any other provision of this section, for a period of not less than 5 years, beginning on the date of enactment of this Act, the Postal Service shall provide package service—

(1) 6 days per week to each street address that was eligible to receive package service 6 days per week, and to each new street address that is located in an area that was eligible to receive package service 6 days per week, as of October 1, 2013; and

(2) 7 days per week to each street address for which the Postal Service determines that such service provides an economic benefit to the Postal Service.

(g) MAILBOX ACCESS.—If the Postal Service establishes a general, nationwide delivery schedule of 5 days per week consistent with the provisions of this section, the Postal Service shall amend the Mailing Standards of the United States, Domestic Mail Manual to ensure that the provisions

of section 508.3.2.10 of such manual, as in effect on October 1, 2013, shall apply on any day on which the Postal Service does not deliver the mail under the established delivery schedule.

(h) STUDY OF ENVIRONMENTAL IMPACT OF 5-DAY DELIVERY.—Not later than 180 days after the date of enactment of this Act, the Chief Sustainability Officer of the Postal Service shall—

(1) conduct a study that assesses the environmental impact of moving to a nationwide delivery schedule of 5 days per week, which shall include the impact on green house gas emissions, facility energy use, and transportation fuel use; and

(2) publish the results of the study conducted under paragraph (1) on the website of the Postal Service.

SEC. 205. DELIVERY POINT MODERNIZATION.

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

"§ 3692. Delivery point modernization

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

"(1) CENTRALIZED DELIVERY.—The term 'centralized delivery' means a primary mode of mail de-

livery whereby mail is delivered to a group or cluster of mail receptacles at a single location.

"(2) CURBSIDE DELIVERY.—The term 'curbside delivery' means a primary mode of mail delivery whereby mail is delivered to a mail receptacle that is situated at the edge of a public sidewalk abutting a road or curb, at a road, or at a curb.

"(3) DELIVERY POINT.—The term 'delivery point' means a mailbox or other receptacle to which mail is delivered.

"(4) DISTRICT OFFICE.—The term 'district office' means the central office of an administrative field unit with responsibility for postal operations in a designated geographic area (as defined under regulations, directives, or other guidance of the Postal Service).

"(5) DOOR DELIVERY.—The term 'door delivery'—

"(A) means a primary mode of mail delivery whereby mail is—

"(i) delivered to a mail receptacle at or near a postal customer's door; or

"(ii) hand-delivered to a postal customer; and

"(B) does not include curbside or centralized delivery.

"(6) PRIMARY MODE OF MAIL DELIVERY.—The term 'primary mode of mail delivery' means the typical method by which the Postal Service delivers mail to the delivery point of a postal customer.

"(b) POLICY.—Except as otherwise provided in this section, including paragraphs (4) and (5) of subsection (c), it shall be the policy of the Postal Service to use the primary mode of mail delivery that is most cost effective and is in the best long-term interest of the Postal Service.

"(c) CONVERSION TO OTHER DELIVERY MODES.—

"(1) NEW ADDRESSES.—Except as provided in paragraphs (4) and (5), the Postal Service shall provide centralized delivery to new addresses established after the date of enactment of the Postal Reform Act of 2014, or if centralized delivery is not practicable shall provide curbside delivery.

"(2) BUSINESS ADDRESS CONVERSION.—The Postal Service shall carry out a program to convert business addresses with door delivery on the date of enactment of the Postal Reform Act of 2014 to centralized delivery or to curbside delivery.

"(3) RESIDENTIAL ADDRESS CONVERSION.—

"(A) IDENTIFICATION.—Not later than 9 months after the date of enactment of the Postal Reform Act of 2014, the head of each district office of the Postal Service shall identify residential addresses within the service area of the district office that are appropriate candidates for conversion from door delivery to a more cost-effective primary mode of delivery, in accordance with standards established by the Postal Service.

"(B) VOLUNTARY CONVERSION.—Not later than 1 year after the date of enactment of the Postal Reform Act of 2014, and consistent with subsection (b) and paragraph (4), the Postal Service shall begin implementation of a program to convert, on a voluntary basis, the addresses identified under subparagraph (A) from door delivery to a more cost-effective primary mode of delivery.

"(C) PROCEDURES.—In pursuing conversion under subparagraph (B), the Postal Service shall establish procedures to—

"(i) solicit and consider input from postal customers, State and local governments, local associations, and property owners; and

"(ii) place centralized delivery points in locations that maximize delivery efficiency, ease of use for postal customers, and respect for private property rights.

"(4) EXCEPTIONS.—In establishing a primary mode of mail delivery for new addresses under paragraph (1) or converting the primary mode of mail delivery for an address under paragraph (2) or (3), the Postal Service may provide door delivery if—

"(A) a physical barrier precludes the efficient provision of centralized delivery or curbside delivery;

"(B) the address is located in a registered historic district, as that term is defined in section 47(c)(3)(B) of the Internal Revenue Code of 1986; or

"(C) the Postal Service determines that the provision of centralized delivery or curbside delivery would be impractical, would not be cost effective, or would not be in the best long-term interest of the Postal Service.

"(5) WAIVER FOR PHYSICAL HARDSHIP.—

"(A) IN GENERAL.—The Postal Service shall establish and maintain a waiver program under which, upon the application of a postal

customer, door delivery may be continued or provided to a delivery point if—

"(i) centralized delivery or curbside delivery would, but for this paragraph, be the primary mode of mail delivery for the delivery point; and

"(ii) a physical hardship prevents the postal customer from receiving his or her mail through any other form of mail delivery.

"(B) PUBLICITY; SIMPLICITY.—In establishing and maintaining the waiver program under subparagraph (A), the Postal Service shall—

"(i) publicize the waiver program; and

"(ii) provide a simple application process for participation in the waiver program.

"(C) POSTAL SERVICE DISCRETION.—Nothing in this paragraph shall be construed to—

"(i) prohibit the Postal Service from requiring evidence of a physical hardship in an appropriate case; or

"(ii) require the Postal Service to require evidence of a physical hardship in any case.

"(D) NO FEES FOR APPLICATION OR DOOR DELIVERY.—In establishing and maintaining the waiver program under subparagraph (A), the Postal Service may not charge a postal customer any fee to—

"(i) apply for a waiver; or

"(ii) upon the granting of a waiver by the Postal Service, receive mail through door delivery.".

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

"3692. Delivery point modernization.".

SEC. 206. POSTAL SERVICES FOR MARKET-DOMINANT PRODUCTS.

(a) IN GENERAL.—Strike section 3661 of title 39, United States Code, and insert the following:

"§ 3661. Postal services for market-dominant products

"(a) GENERAL OBLIGATION.—The Postal Service shall develop and promote adequate and efficient postal services with respect to its market-dominant products.

"(b) PROPOSED CHANGES FOR MARKET-DOMINANT PRODUCTS.—

"(1) SUBMISSION OF PROPOSAL.—If the Postal Service determines that there should be a change in the nature of postal services relating to market-dominant products that will generally affect service on a nationwide or substantially nationwide basis, the Postal Service shall submit a proposal to the Postal Regulatory Commission requesting an advisory opinion on the change.

"(2) ADVISORY OPINION.—Upon receipt of a proposal under paragraph (1), the Postal Regulatory Commission shall—

"(A) provide notice and an opportunity for public comment and a public hearing on the proposal; and

"(B) issue an advisory opinion not later than—

"(i) 90 days after the date on which the Postal Regulatory Commission receives the proposal; or

"(ii) a date that the Postal Regulatory Commission and the Postal Service may determine jointly.

"(3) RESPONSE TO OPINION.—The Postal Service shall submit to the President and to Congress a re-

sponse to an advisory opinion issued under paragraph (2) that includes—

"(A) a statement of whether the Postal Service plans to modify the proposal to address any concerns or implement any recommendations made by the Commission; and

"(B) for any matter that the Postal Service determines not to address and any recommendation that the Postal Service determines not to implement, the reasons for the determination.

"(4) ACTION ON PROPOSAL.—The Postal Service may take action regarding a proposal submitted under paragraph (1)—

"(A) on or after the date on which the Postal Service submits the response required under paragraph (3);

"(B) on or after a date that the Postal Regulatory Commission and the Postal Service may determine jointly; or

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

"(i) the Postal Regulatory Commission fails to issue an advisory opinion on or before the date described in paragraph (2)(B); and

"(ii) the action is not otherwise prohibited under Federal law.

"(5) MODIFICATION OF TIMELINE.—At any time, the Postal Service and the Postal Regulatory Commission may jointly redetermine a date determined under paragraph (2)(B)(ii) or (4)(B).

"(c) LIMITATION.—

"(1) NO CHANGES FOR COMPETITIVE PRODUCTS.—Nothing in this section shall be construed as authorizing the making of changes under this section to the nature of service provided for competitive products.

"(2) HYBRID CHANGES.—For a change that affects the nature of service provided for both market-dominant products and competitive products, only the effect on market-dominant products shall be subject to this section.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 36 of title 39, United States Code, is amended by striking the item relating to section 3661 and inserting the following:

"3661. Postal services for market-dominant products.".

SEC. 207. REPORT ON PILOT PROGRAM FOR USE OF NATURAL GAS AND PROPANE FOR POSTAL TRUCKS.

Not later than 180 days after the date of enactment of this Act, the Postmaster General shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate a report on the feasibility of a pilot program to implement the use of natural gas and propane as fuels for heavy-duty over-the-road trucks, in addition to natural gas-fueled vehicles already in the postal fleet, as a fuel cost-saving measure.

SEC. 208. CAPITOL COMPLEX POST OFFICES.

(a) HOUSE OF REPRESENTATIVES.—

(1) IN GENERAL.—The Postal Service shall not maintain or operate more than 1 post office in the United States Capitol Complex, as defined in section 310(a)(3)(B) of the Legislative Branch Appropriations Act, 1990 (2 U.S.C. 2172(a)(3)(B)), which shall be located in a House Office Building.

(2) CLOSING OF CAPITOL POST OFFICES.—The Postal Service shall close any post office in the United States Capitol Complex, as defined in section 310(a)(3)(B) of the Legislative Branch Appropriations Act, 1990 (2 U.S.C. 2172(a)(3)(B)), not permitted under this subsection, without regard to the re-

quirements under section 404(d) of title 39, United States Code.

(b) SENATE.—

(1) IN GENERAL.—The Sergeant at Arms and Doorkeeper of the Senate may not enter into, modify, or renew a contract with the Postal Service to maintain or operate more than 1 post office in a Senate Office Building.

(2) EXISTING CONTRACTS.—Nothing in paragraph (1) may be construed to affect a contract entered into by the Sergeant at Arms and Doorkeeper of the Senate and the Postal Service before the date of enactment of this Act.

SEC. 209. LAWFUL POSSESSION OF FIREARMS IN POST OFFICE PARKING LOTS.

(a) DEFINITIONS.—In this section—

(1) the term "nonpublic area", with respect to a postal facility, means any area of the facility that is—

(A) accessible exclusively to authorized personnel for the performance of official postal functions, as determined by the Postmaster General; and

(B) not accessible to the general public;

(2) the term "parking lot", with respect to a post office—

(A) means any lot or structure—

(i) the principal purpose of which is the parking of vehicles to allow the general public to access the post office; and

(ii) that is owned or leased by the Postal Service;

(B) does not include street parking; and

(C) does not include parking lots for other Federal facilities or Federal court facilities (as those terms are defined in section 930(g)(3) of title 18, United States Code);

(3) the term "post office" has the meaning given the term in section 404(d) of title 39, United States Code, as added by this Act; and

(4) the term "postal facility" means any facility owned or leased by the Postal Service.

(b) LAWFUL PURPOSE.—The Postal Service shall consider the lawful carrying or storing of a firearm in a parking lot of a post office, in a manner not inconsistent with State or local laws and not in violation of any lease for use of the parking lot or of the postal facility that the parking lot serves, to be a lawful purpose for purposes of section 930(d)(3) of title 18, United States Code.

(c) CODE OF FEDERAL REGULATIONS.—The Postal Service shall amend section 232.1 of title 39, Code of Federal Regulations, to specify that—

(1) an individual who is otherwise permitted to carry or store a firearm in a manner not inconsistent with State or local laws may carry or store a firearm in a parking lot of a post office; and

(2) carrying or storing a firearm in a parking lot of a post office, in accordance with paragraph (1), shall be considered a lawful purpose under section 930(d)(3) of title 18, United States Code.

(d) SIGNAGE.—The Postal Service shall post signage in each parking lot of a post office to communicate to the general public the changes in law required under this section.

(e) RULES OF CONSTRUCTION.—

(1) IN GENERAL.—Nothing in this section shall be construed to limit the authority of the Postmaster General to establish—

(A) workplace rules for employees of the Postal Service; or

(B) regulations relating to nonpublic areas of postal facilities.

(2) LAWFUL PURPOSES.—Nothing in this Act or an amendment made by this Act shall be construed to

impose the meaning of the term "lawful purpose" under subsection (b) with respect to any property that is not a post office or postal property.

TITLE III—POSTAL SERVICE REVENUE

SEC. 301. POSTAL RATES.

(a) MODERN RATE SYSTEM.—

(1) IN GENERAL.—Chapter 36 of title 39, United States Code, is amended by striking section 3622 and inserting the following:

"§ 3622. Modern rate system

"(a) AUTHORITY GENERALLY.—

"(1) BOARD OF GOVERNORS.—The Board may, acting in accordance with this section, establish, and from time to time thereafter revise, a system of rates and classes for market-dominant products (referred to in this section as the 'system'), consistent with the requirements under this section.

"(2) NO DELEGATION.—The authority under this section may not be delegated to the Postmaster General or to any other individual or entity.

"(b) OBJECTIVES.—The system shall be designed to achieve the following objectives, each of which shall be applied in conjunction with the others:

"(1) To maximize incentives for the Postal Service to reduce costs and increase efficiency.

"(2) To create predictability and stability in rates.

"(3) To maintain high quality service standards established under section 3691.

"(4) To assure adequate revenues and maintain the financial stability of the Postal Service.

"(5) To establish and maintain a just and reasonable schedule for rates and classifications, however the objective under this paragraph shall not be construed to prohibit the Postal Service from making changes of unequal magnitude within, between, or among classes of mail.

"(6) To allocate the total institutional costs of the Postal Service appropriately between market-dominant and competitive products, in accordance with regulations promulgated by the Postal Regulatory Commission (referred to in this section as the 'Commission') under section 3633.

"(c) FACTORS.—In establishing or revising the system, the Board and the Commission shall take into account—

"(1) the value of the mail service provided through each class or type of mail service to both the

sender and the recipient, including the educational, cultural, scientific, and informational value;

"(2) the direct and indirect postal costs attributable to each class or type of mail service;

"(3) the effect of rate increases upon Postal Service customers;

"(4) the available alternative means of sending and receiving letters and other mail matter;

"(5) the simplicity of structure for the entire schedule and simple, identifiable relationships between the rates or fees charged the various classes of mail for postal services; and

"(6) the policies of this title as well as such other factors as the Board or the Commission determines appropriate.

"(d) ADJUSTMENTS CONSISTENT WITH SYSTEM.—

"(1) NOTICE.—The Board shall provide notice of any adjustment in rates or classes proposed to be made under this section that is consistent with the system then in effect—

"(A) not later than—

"(i) 90 days before the implementation of any rate or class adjustment that affects all or substantially all market-dominant products; and

"(ii) 45 days before the implementation of any other rate or class adjustment; and

"(B) to—

"(i) the public, including by—

"(I) publication in the Federal Register; and

"(II) posting on the website of the Postal Service; and

"(ii) the Commission.

"(2) PUBLIC COMMENT.—The Board shall solicit and receive public comments on any proposed rate or class adjustment, and shall take such comments into account in making its final determination as to a rate or class adjustment.

"(3) FINAL DECISION.—Not later than 10 days before the implementation of a rate or class adjustment, the Board shall issue a final decision on the adjustment which shall—

"(A) be published in the Federal Register and posted on the website of the Postal Service; and

"(B) include an explanation responding to all relevant comments received.

"(4) COMMISSION REVIEW.—

"(A) IN GENERAL.—Any adjustment made by the Board under this section shall be subject to review by the Commission under section 3662.

"(B) APPLICATION OF SECTION 3662.—In a review described in subparagraph (A), section 3662 shall be applied by substituting 'Board of Governors' for 'Postal Service' where applicable.

"(e) RATE BASE.—The rates for market-dominant products in effect on the date of enactment of the Postal Reform Act of 2014, including any rates adjusted under this section on an expedited basis due to either extraordinary or exceptional circumstances, shall remain in effect unless adjusted in accordance with this section.

"(f) LIMITATIONS ON RATE ADJUSTMENTS.—

"(1) APPLICABILITY OF LIMITATIONS.—The limitations under this subsection shall remain in effect unless revised or eliminated under subsection (g).

"(2) ANNUAL LIMITATION.—There shall be an annual limitation on the percentage changes in rates for market-dominant products as a whole under this section that shall be equal to the percentage change in the Consumer Price Index for All Urban Consumers unadjusted for seasonal variation over the most recent available 12-month period preceding the date the

Board provides notice of its intention to increase rates.

"(3) CONDITIONS.—

"(A) CLASSES OF MAIL.—The Board shall ensure that the annual percentage change in rates under this section for a class of mail, as defined in the Domestic Mail Classification Schedule (as in effect on the date of enactment of the Postal Accountability and Enhancement Act), does not exceed the annual limitation under paragraph (2) by more than 2 percentage points.

"(B) USE OF UNUSED RATE ADJUSTMENT AUTHORITY.—

"(i) DEFINITION.—In this subparagraph, the term 'unused rate adjustment authority' means the difference between—

"(I) the maximum amount of a rate adjustment that the Board is authorized to make in any year subject to the annual limitation under paragraph (2); and

"(II) the amount of the rate adjustment the Board actually makes in that year.

"(ii) AUTHORITY.—Subject to clause (iii), the Board may use any unused rate adjustment authority for any of the 5 years following the year the authority occurred.

"(iii) LIMITATIONS.—In exercising the authority under clause (ii) in any year, the Governors—

"(I) may use unused rate adjustment authority from more than 1 year;

"(II) may use any part of the unused rate adjustment authority from any year; and

"(III) may not exceed the annual limitation under paragraph (2) by more than 2 percentage points.

"(4) EXCEPTION TO ANNUAL LIMITATION.—Notwithstanding the annual limitation under paragraph (2), and provided there is not sufficient unused rate adjustment authority under paragraph (3)(B), rates may be adjusted on an expedited basis due to either extraordinary or exceptional circumstances, provided that the Commission determines, after notice and opportunity for public comment, and within 90 days after any request by the Board, that such adjustment is reasonable and equitable and necessary to enable

the Postal Service, under best practices of honest, efficient, and economical management, to maintain and continue the development of postal services of the kind and quality adapted to the needs of the United States.

"(g) ADOPTION OF REVISIONS TO SYSTEM OR NEW SYSTEM.—

"(1) BOARD PROPOSAL.—Not earlier than January 1, 2017, and as appropriate thereafter, the Board may, after notice and opportunity for public comment, submit to the Commission a proposal for revisions to the system or a new system, consistent with the objectives under subsection (b), taking into account the factors under subsection (c), and which may include revision or elimination of the limitations established under subsection (f).

"(2) FINAL COMMISSION ACTION.—The Commission—

"(A) shall consider a proposal submitted by the Board under paragraph (1); and

"(B) may—

"(i) adopt the proposal, without modification; or

"(ii) reject the proposal.

"(h) WORKSHARE DISCOUNTS.—

"(1) DEFINITION.—In this subsection, the term 'workshare discount' refers to rate discounts provided to mailers for the presorting, prebarcoding, handling, or transportation of mail, as further defined by the Board in accordance with subsection (a).

"(2) SCOPE.—The Board shall ensure that such discounts do not exceed the cost that the Postal Service avoids as a result of workshare activity, unless—

"(A) the discount is—

"(i) associated with a new postal service, a change to an existing postal service, or with a new work share initiative related to an existing postal service; and

"(ii) necessary to induce mailer behavior that furthers the economically efficient operation of the Postal Service and the portion of the discount in excess of the cost that the Postal Service avoids as a result of the workshare activity will be phased out over a limited period of time;

"(B) the amount of the discount above costs avoided—

"(i) is necessary to mitigate rate shock; and

"(ii) will be phased out over time;

"(C) the discount is provided in connection with a category of mail consisting exclusively of mail matter of educational, cultural, scientific, or informational value; or

"(D) reduction or elimination of the discount would—

"(i) impede the efficient operation of the Postal Service;

"(ii) lead to a loss of volume in the affected category of mail and reduce the aggregate contribution to the institutional costs of the Postal Service from the category subject to the discount below what it otherwise would have been if the discount had not been reduced or eliminated; or

"(iii) result in a further increase in the rates paid by mailers not able to take advantage of the discount.

"(3) NOTICE.—Whenever a workshare discount is established, the Board shall ensure that the notice provided under subsection (d)(1) includes—

"(A) the reasons for establishing the discount;

"(B) the data, economic analyses, and other information relied on by the Board to justify the rate; and

"(C) a certification that the discount will not adversely affect rates or services provided to users of postal services who do not take advantage of the discount rate.

"(i) NEGOTIATED SERVICE AGREEMENTS.—The Board shall ensure that any agreement between the Postal Service and a mailer that adjusts rates or classes in a manner that is specific to the mailer—

"(1) is available on public and reasonable terms to similarly situated mailers;

"(2) either—

"(A) improves the net financial position of the Postal Service through reducing Postal Service costs or increasing the overall contribution to the institutional costs of the Postal Service taking into account changes in volume and revenues from mailers ineligible for the agreement; or

"(B) enhances the performance of mail preparation, processing, transportation, or other functions; and

"(3) does not cause—

"(A) unfair competitive advantage for the Postal Service or mailers eligible for the agreement; or

"(B) unreasonable disruption to the volume or revenues of other mailers ineligible for the agreement.

"(j) CONSIDERATION OF PRIOR COMMISSION DECISIONS.—In making any determination under this section, including the construction and interpretation of the terms used in this section, the Board shall give consideration to decisions of the Commission made prior to the date of enactment of the Postal Reform Act of 2014, and shall include an explanation of any deviation from such decisions in the notice required under subsection (d)(1).".

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 36 of title 39, United States Code, is amended by striking the item relating to section 3622 and inserting the following:

"3622. Modern rate system.".

(b) REPEAL OF RATE PREFERENCES FOR QUALIFIED POLITICAL COMMITTEES.—Section 3626 of title 39, United States Code, is amended—

(1) by striking subsection (e);

(2) by redesignating subsections (f), (g), and (h) as subsections (e), (f), and (g), respectively;

(3) by redesignating subsections (j) through (n) as subsections (h) through (l), respectively; and

(4) in subsection (h), as redesignated by paragraph (3)—

(A) in paragraph (1)(D), by striking "subsection (m)(2)" and inserting "subsection (k)(2)"; and

(B) in paragraph (3)(B), by striking "subsection (m)" and inserting "subsection (k)".

(c) STANDARD POST.—

(1) DEFINITION.—In this subsection, the term "covered package" means a Standard Post package that—

(A) originates and destinates within the same State; and

(B) destinates in a community that is not served by regular overland transportation from the community in which the shipment originates.

(2) TEMPORARY STANDARD POST PRICING.—Notwithstanding section 3642 of title 39, United States Code, during the period beginning on the date of enactment of this Act and ending on the date on which the Commission issues an order resolving the proceeding described in paragraph (3)(B), the Postal Service shall deliver covered packages at the rates that

were applicable to Standard Post on January 27, 2013.

(3) COMMISSION STUDY AND PROCEEDING.—

(A) STUDY.—The Commission shall conduct a study to determine—

(i) the extent to which the Postal Service exercises monopoly power and the extent to which delivery services are reasonably available from a private carrier with respect to the delivery of covered packages; and

(ii) the extent to which there are communities for which the Postal Service exercises monopoly power for the delivery of items shipped by Standard Post or for which delivery services are not reasonably available for such items.

(B) PROCEEDING.—The Commission shall initiate a proceeding under section 3642 of title 39, United States Code, to determine whether covered packages and any other packages identified under subparagraph (A)(ii), if considered as a single product, would constitute a market dominant product or a competitive product.

(C) RATES.—If the Commission determines in the proceeding under subparagraph (B) that covered packages constitute a market dominant product, the rates for covered packages shall be as provided in paragraph (2) until adjusted in accordance with the procedures under section 3622 of title 39, United States Code, applicable to market dominant products.

(D) INFORMATION.—The Postal Service shall provide the Commission with such information as may, in the judgment of the Commission, be necessary in order for the Commission to conduct its study and proceeding under this paragraph.

SEC. 302. NONPOSTAL SERVICES.

(a) AUTHORIZATION OF NEW NONPOSTAL SERVICES.—

(1) IN GENERAL.—Section 404 of title 39, United States Code, as amended by this Act, is amended—

(A) in subsection (a)—

(i) by redesignating paragraphs (6) through (8) as paragraphs (7) through (9), respectively; and

(ii) by inserting after paragraph (5) the following:

"(6) on and after the date of enactment of the Postal Reform Act of 2014, except as provided in subsection (e) and subject to subsection (h)—

"(A) to provide other services that are not postal services, if the provision of such services—

"(i) uses the processing, transportation, delivery, retail network, or technology of the Postal Service;

"(ii) is consistent with the public interest and demonstrated likely public demand for—

"(I) the Postal Service, rather than another entity, to provide the services; or

"(II) the Postal Service, in addition to or in partnership with another entity, to provide the services;

"(iii) would not create unfair competition with the private sector, taking into consideration the extent to which the Postal Service will not, either by legal obligation or voluntarily, comply with any State or

local laws or requirements generally applicable to the provision of such services;

"(iv) does not unreasonably interfere with or detract from the value of postal services, including—

"(I) the cost and efficiency of postal services; and

"(II) access to postal retail service;

"(v) will be undertaken in accordance with all Federal laws and regulations applicable to the provision of such services; and

"(vi) is reasonably expected to improve the net financial position of the Postal Service, based on a market analysis conducted by or on behalf of the Postal Service; and

"(B) to classify a service provided under subparagraph (A) as an experimental product subject to section 3641;";

(B) in subsection (e)(1), by inserting "and that was offered by the Postal Service on the date of enactment of the Postal Reform Act of 2014" after "102(5)"; and

(C) by adding at the end the following:

"(g) TREATMENT OF NEW NONPOSTAL SERVICES.—For purposes of chapters 20 and 36 of this title, nonpostal services provided under subsection (a)(6) shall be treated as competitive products.

"(h) FEDERAL REGULATION OF NEW NONPOSTAL SERVICES.—The Postal Service shall ensure that any nonpostal service provided under subsection (a)(6) that is otherwise subject to the jurisdiction and regulation of a Federal regulatory agency remains subject to the jurisdiction and regulation of the Federal regulatory agency notwithstanding the fact that the nonpostal service is provided by the Postal Service.".

(2) COMPLAINTS.—Section 3662(a) of title 39, United States Code, is amended by inserting "404(a)(6)," after "403(c),".

(3) MARKET ANALYSIS.—During the 5-year period beginning on the date of enactment of this Act, not later than 7 days after the date on which any market analysis conducted under section 404(a)(6)(A)(vi) of title 39, United States Code, as amended by this section, is completed, the Postal Service shall submit a copy of the market analysis to—

(A) the Commission;

(B) the Committee on Homeland Security and Governmental Affairs of the Senate; and

(C) the Committee on Oversight and Government Reform of the House of Representatives.

(b) GOVERNMENTAL SERVICES.—Section 411 of title 39, United States Code, is amended—

(1) in the second sentence, by striking "this section" and inserting "this subsection";

(2) by striking "Executive agencies" and inserting "(a) FEDERAL GOVERNMENT.—Executive agencies"; and

(3) by adding at the end the following:

"(b) STATE, LOCAL, AND TRIBAL GOVERNMENTS.—

"(1) AUTHORITY OF POSTAL SERVICE.—The Postal Service is authorized to furnish property and services to States, local governments, and tribal governments, under such terms and conditions, including the possibility for reimbursement, as the Postal Service and the applicable State, local government, or tribal government shall determine appropriate.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) the term 'local government' means—

"(i) a county, municipality, city, town, township, local public authority,

school district, special district, intrastate district, council of governments, or regional or interstate government entity;

"(ii) an agency or instrumentality of an entity described in clause (i); or

"(iii) a rural community, an unincorporated town or village, or an instrumentality of a rural community or an unincorporated town or village;

"(B) the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States; and

"(C) the term 'tribal government' means the government of an Indian tribe, as that term is defined in section 4(e) of the Indian Self-Determination Act (25 U.S.C. 450b(e)).

"(c) REPORT.—The Postal Service shall submit to the Postal Regulatory Commission, together with the report required under section 3652, a report that details the costs and revenues of the property and services furnished by the Postal Service under this section during the period covered by the report required under section 3652.

"(d) REIMBURSEMENT DETERMINATION.—In determining the possibility for reimbursement under subsections (a) and (b), the Postal Service shall ensure that each property or service furnished under such subsections covers its costs attributable, as that term is defined in section 3631(b).".

(c) CONFORMING AMENDMENTS.—

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

(A) by striking "(e)(1) In this" and inserting the following:

"(e) PREVIOUSLY OFFERED NONPOSTAL SERVICES.—

"(1) DEFINITION.—In this";

(B) in paragraph (2), by striking "(2) Nothing" and inserting the following:

"(2) ELIGIBLE NONPOSTAL SERVICES.—Nothing";

(C) in paragraph (3)—

(i) by striking "(3) Not" and inserting the following:

"(3) REVIEW OF NONPOSTAL SERVICES.—Not"; and

(ii) by moving subparagraphs (A) and (B) 2 ems to the right;

(D) in paragraph (4), by striking "(4) Any" and inserting the following:

"(4) TERMINATION.—Any"; and

(E) by striking paragraph (5) and inserting the following:

"(5) DESIGNATION.—Each nonpostal service authorized under this subsection shall be designated as market-dominant or competitive based on the designation of the nonpostal service in the Mail Classification Schedule as in effect on the date of enactment of the Postal Reform Act of 2014.

"(6) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to prevent the Postal Service from providing nonpostal services under subsection (a)(6).".

(2) SECTION 3641 OF TITLE 39.—Section 3641 of title 39, United States Code, is amended—

(A) in subsection (b)(1), by inserting "(or the appropriate consumers in the case of nonpostal services)" after "users";

(B) in the first sentence of subsection (b)(3), by striking "section 3642(b)(1)" and inserting "sections 404(g) and 3642(b)(1)";

(C) in the second sentence of subsection (b)(3), by striking "section 3633(3)" and inserting "section 3633(a)(3)";

(D) in subsection (e)(1), by striking "$10,000,000" and inserting "$50,000,000"; and

(E) in subsection (e)(2), by striking "$50,000,000" and inserting "$100,000,000".

(3) TECHNICAL AND CONFORMING AMENDMENTS.—Section 2003(b)(1) of title 39, United States Code, is amended by striking "postal and nonpostal services" and inserting "postal services, nonpostal services authorized under section 404(e), and property and services authorized under section 411,".

SEC. 303. SHIPPING OF WINE, BEER, AND DISTILLED SPIRITS.

(a) MAILABILITY.—

(1) NONMAILABLE ARTICLES.—Section 1716(f) of title 18, United States Code, is amended by striking "mails" and inserting "mails, except to the extent that the mailing is allowable under section 3001(p) of title 39".

(2) APPLICATION OF LAWS.—Section 1161 of title 18, United States Code, is amended by inserting ", and, with respect to the mailing of distilled spirits, wine, or malt beverages (as those terms are defined in

section 117 of the Federal Alcohol Administration Act (27 U.S.C. 211)), is in conformity with section 3001(p) of title 39" after "Register".

(b) REGULATIONS.—Section 3001 of title 39, United States Code, is amended by adding at the end the following:

"(p)(1) In this subsection, the terms 'distilled spirits', 'wine', and 'malt beverage' have the same meanings as in section 117 of the Federal Alcohol Administration Act (27 U.S.C. 211).

"(2) Distilled spirits, wine, or malt beverages shall be considered mailable if mailed—

"(A) in accordance with the laws and regulations of—

"(i) the State, territory, or district of the United States where the sender or duly authorized agent initiates the mailing; and

"(ii) the State, territory, or district of the United States where the addressee or duly authorized agent takes delivery; and

"(B) to an addressee who is at least 21 years of age—

"(i) who provides a signature and presents a valid, government-issued photo identification upon delivery; or

"(ii) the duly authorized agent of whom—

"(I) is at least 21 years of age; and

"(II) provides a signature and presents a valid, government-issued photo identification upon delivery.

"(3) The Postal Service shall prescribe such regulations as may be necessary to carry out this subsection.".

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

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

(2) the date that is 120 days after the date of enactment of this Act.

(d) NO PREEMPTION OF STATE, LOCAL, OR TRIBAL LAWS PROHIBITING DELIVERIES, SHIPMENTS, OR SALES.—Nothing in this section, the amendments made by this section, or any regulation promulgated under this section or the amendments made by this section, shall be construed to preempt, supersede, or otherwise limit or restrict any State, local, or tribal law that prohibits or regulates the delivery, shipment, or sale of distilled spirits, wine, or malt beverages (as those terms are defined in section 117 of the Federal Alcohol Administration Act (27 U.S.C. 211)).

TITLE IV—POSTAL SERVICE GOVERNANCE

SEC. 401. BOARD OF GOVERNORS OF THE POSTAL SERVICE.

(a) BOARD OF GOVERNORS.—Title 39, United States Code, is amended by striking section 202 and inserting the following:

"§ 202. Board of Governors

"(a) IN GENERAL.—The exercise of the power of the Postal Service shall be directed by a Board of Governors composed of 9 members appointed in accordance with this section, each of whom shall be a voting member of the Board.

"(b) MEMBERSHIP.—

"(1) COMPOSITION.—The Board shall be composed of—

"(A) the Postmaster General; and

"(B) 8 members, to be known as Governors, who shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) AFFILIATION.—Not more than 4 of the Governors may be members of any 1 political party.

"(3) CHAIRPERSON.—The Governors shall elect a Chairperson from among the members of the Board.

"(c) QUALIFICATIONS.—

"(1) IN GENERAL.—The Governors shall represent the public interest generally, and shall be chosen solely on the basis of experience in public service, law, or accounting, or on a demonstrated ability to manage organizations or corporations (in either the public or private sector) of substantial size.

"(2) NO SPECIFIC INTEREST.—A Governor may not be a representative of a specific interest using the Postal Service.

"(3) INITIAL APPOINTMENTS.—At least 1 of the Governors who is appointed to fill a position that is vacant on the date of enactment of the Postal Reform Act of 2014 shall, in addition to the qualifications set forth in paragraph (1), be appointed based on the demonstrated ability of that individual to manage and improve financially troubled organizations.

"(d) REMOVAL.—A Governor may be removed only for cause.

"(e) COMPENSATION.—

"(1) SALARY.—Each Governor shall receive a salary of $30,000 each year, plus $300 for each day, for not more than 42 days, on which the Governor attends a meeting of the Board. Nothing in this paragraph shall be construed to limit the number of days of meetings each year to 42 days.

"(2) REIMBURSEMENT FOR MEETINGS.—Each Governor shall be reimbursed for travel and reasonable expenses incurred in attending meetings of the Board.

"(f) TERMS.—

"(1) IN GENERAL.—Each Governor shall serve for a term of 7 years.

"(2) VACANCIES.—A Governor appointed to fill a vacancy occurring before the expiration of the term to which the predecessor of that Governor was appointed shall serve for the remainder of that term.

"(3) CONTINUATION OF SERVICE.—A Governor may continue to serve after the expiration of the term of that Governor until a successor has been appointed, except that a Governor may not continue to serve for more than 1 year after the date on which the term of that Governor would have otherwise expired.

"(4) LIMIT.—A Governor may serve for not more than 2 terms.

"(g) POSTMASTER GENERAL.—

"(1) APPOINTMENT AND REMOVAL.—The Governors shall appoint and shall have the power to remove the Postmaster General.

"(2) PAY AND TERM OF SERVICE.—The pay and term of service of the Postmaster General shall be determined by the Governors.

"(h) DEPUTY POSTMASTER GENERAL.—

"(1) APPOINTMENT AND REMOVAL.—The Governors and the Postmaster General shall appoint and shall have the power to remove the Deputy Postmaster General.

"(2) PAY.—The pay of the Deputy Postmaster General shall be determined by the Governors.

"(3) TERM OF SERVICE.—The term of service of the Deputy Postmaster General shall be determined by the Governors and the Postmaster General.

"(i) EXECUTIVE COMMITTEE.—

"(1) AUTHORITY TO ESTABLISH.—The Board, by a vote of a majority of its members, may establish an Executive Committee of the Board, consistent with paragraph (2).

"(2) BOARD MEMBERSHIP AND RESPONSIBILITIES.—If established by the Board, the Executive Committee shall—

"(A) be composed of the Chairperson of the Board and 2 additional Governors designated by the Board, except that not more than 2 members

of the Executive Committee may be members of any 1 political party;

"(B) develop and oversee implementation of strategies and measures to ensure the long-term financial solvency of the Postal Service;

"(C) develop and oversee the implementation of the financial plan and budget required under section 403 of the Postal Reform Act of 2014 and updates to the financial plan and budget;

"(D) make recommendations to the Board regarding aspects of postal operations; and

"(E) assume such other responsibilities as the Board determines appropriate.

"(3) QUORUM.—2 members of the Executive Committee shall constitute a quorum for the transaction of business by the Executive Committee.

"(4) TERMINATION.—The Executive Committee may be terminated by a vote of the majority of the members of the Board.".

(b) PROCEDURES OF THE BOARD.—Section 205(c) of title 39, United States Code, is amended by striking "6 members" and inserting "5 members".

(c) INCUMBENTS; IMPLEMENTATION.—

(1) INCUMBENTS.—An individual serving as a Governor on the Board of Governors of the Postal Service (referred to in this subsection as a "Governor") on the date of enactment of this Act may continue to serve as a Governor until the expiration of the term of that Governor.

(2) IMPLEMENTATION OF MEMBERSHIP REDUCTION.—

(A) IN GENERAL.—One of the 2 positions as a Governor for which the term is scheduled to expire on December 8, 2014, shall not be filled after the position becomes vacant.

(B) PREFERENCE FOR ABOLISHING VACANT POSITION.—If 1 of the 2 positions referred to in subparagraph (A) is vacant on the date of enactment of this Act, that vacant position shall be the position that is not filled, as required under such subparagraph.

(d) CONFORMING AMENDMENTS.—Title 39, United States Code, is amended—

(1) in section 102(3)—

(A) by striking "9" and inserting "8"; and

(B) by striking "202(a)" and inserting "202(b)(1)(C)"; and

(2) in section 203—

(A) by striking "202(c)" and inserting "202(g)"; and

(B) by striking "202(d)" and inserting "202(h)".

SEC. 402. STRATEGIC ADVISORY COMMISSION ON POSTAL SERVICE SOLVENCY AND INNOVATION.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established in the executive branch a Strategic Advisory Commission on Postal Service Solvency and Innovation (referred to in this section as the "Advisory Commission").

(2) INDEPENDENCE.—The Advisory Commission shall not be subject to the supervision of the Board of Governors of the Postal Service (referred to in this section as the "Board of Governors"), any Executive Committee established under section 202(i) of title 39, United States Code, the Postmaster General, or any other officer or employee of the Postal Service.

(b) PURPOSE.—The purpose of the Advisory Commission is to—

(1) provide strategic guidance to the President, Congress, the Board of Governors, the Postmaster General, and the Chief Innovation Officer on enhancing the long-term solvency of the Postal Service; and

(2) foster innovative thinking to address the challenges facing the Postal Service without unfairly competing with the private sector.

(c) MEMBERSHIP.—

(1) COMPOSITION.—The Advisory Commission shall be composed of 7 members, of whom—

(A) 3 members shall be appointed by the President, who shall designate 1 member appointed under this subparagraph to serve as Chairperson of the Advisory Commission; and

(B) 1 member shall be appointed by each of—

(i) the majority leader of the Senate;

(ii) the minority leader of the Senate;

(iii) the Speaker of the House of Representatives; and

(iv) the minority leader of the House of Representatives.

(2) QUALIFICATIONS.—Members of the Advisory Commission shall have—

(A) recognized and significant experience in such fields as business, technology, and public administration;

(B) a documented record of innovative thinking;

(C) familiarity with new and emerging technologies; and

(D) experience with revitalizing organizations, corporations, or communities that experienced significant financial challenges or other challenges.

(3) INCOMPATIBLE OFFICES.—An individual who is appointed to the Advisory Commission may not serve as an elected official or an officer or employee of the Federal Government while serving as a member of the Advisory Commission, except in the capacity of that individual as a member of the Advisory Commission.

(4) DEADLINE FOR APPOINTMENT.—Each member of the Advisory Commission shall be appointed not later than 60 days after the date of enactment of this Act.

(5) MEETINGS; QUORUM; VACANCIES.—

(A) MEETINGS.—The Advisory Commission shall meet at the call of the Chairperson or a majority of the members of the Advisory Commission.

(B) QUORUM.—4 members of the Advisory Commission shall constitute a quorum.

(C) VACANCIES.—Any vacancy in the Advisory Commission shall not affect the powers of the Advisory Commission, but shall be filled as soon as practicable in the same manner in which the original appointment was made.

(d) DUTIES AND POWERS.—

(1) DUTIES.—The Advisory Commission shall—

(A) study matters that the Advisory Commission determines are necessary and appropriate to develop a strategic blueprint for the long-term solvency of the Postal Service, including—

(i) the financial, operational, and structural condition of the Postal Service;

(ii) alternative strategies and business models that the Postal Service could adopt;

(iii) opportunities for additional postal and nonpostal services that the Postal Service could offer;

(iv) the comparative postal practices of other countries, including innovative products and services that postal services in other countries have offered, including services that respond to the increasing use of electronic means of communication, and

different approaches to mail delivery that other countries have adopted;

(v) the governance and organizational and management structures of the Postal Service; and

(vi) efforts by the Postal Service to recruit and retain a workforce, particularly in rural areas, capable of meeting the strategic needs of the Postal Service regarding innovation, nationwide service standards, and nationwide delivery schedules; and

(B) submit the report required under subsection (h).

(2) HEARINGS.—The Advisory Commission may hold such hearings, take such testimony, and receive such evidence as is necessary to carry out this section.

(3) ACCESS TO INFORMATION.—The Advisory Commission may secure directly from the Postal Service, the Board of Governors, the Postal Regulatory Commission, and any other Federal department or agency such information as the Advisory Commission considers necessary to carry out this section. Upon request of the Chairperson of the Advisory Commission, the head of the department or agency

shall furnish the information described in the preceding sentence to the Advisory Commission.

(e) APPLICABILITY OF LAWS.—The Federal Advisory Committee Act (5 U.S.C. App) and section 552a of title 5, United States Code (commonly known as the "Privacy Act of 1974") shall apply to the Advisory Commission.

(f) ASSISTANCE FROM FEDERAL AGENCIES.—

(1) POSTAL SERVICE.—The Postmaster General shall provide to the Advisory Commission administrative support and other services for the performance of the functions of the Advisory Commission.

(2) OTHER DEPARTMENTS AND AGENCIES.—An agency of the Federal Government may provide to the Advisory Committee such services, funds, facilities, staff, and other support services that the agency determines to be advisable or is otherwise authorized under law.

(g) PERSONNEL MATTERS.—

(1) ADVISORY COMMISSION MEMBERS.—

(A) COMPENSATION OF MEMBERS.—Each member of the Advisory Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each

day during which the member is engaged in the actual performance of the duties of the Advisory Commission.

(B) TRAVEL EXPENSES.—Each member of the Advisory Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at the rate authorized for employees serving intermittently in the Government service under section 5703 of title 5, United States Code, while away from home or regular place of business in the performance of services for the Advisory Commission.

(2) STAFF.—

(A) APPOINTMENT AND COMPENSATION.—The Chairperson, in accordance with rules agreed upon by the Advisory Commission, shall appoint and fix the compensation of an executive director and such other personnel as may be necessary to enable the Advisory Commission to carry out the functions of the Advisory Commission, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classifica-

tion of positions and General Schedule pay rates, except that a rate of pay fixed under this subparagraph may not exceed the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(B) DETAILEES.—Any Federal employee, including an employee of the Postal Service, may be detailed to the Advisory Commission without reimbursement, and such detail shall be without interruption or loss of the civil service rights, status, or privilege of the employee.

(h) STRATEGIC BLUEPRINT FOR LONG-TERM SOLVENCY.—

(1) IN GENERAL.—Not later than 9 months after the date of enactment of this Act, the Advisory Commission shall submit a report that contains a strategic blueprint for the long-term solvency of the Postal Service to—

(A) the President;

(B) the Committee on Homeland Security and Governmental Affairs of the Senate;

(C) the Committee on Oversight and Government Reform of the House of Representatives;

(D) the Board of Governors; and

(E) the Postmaster General.

(2) CONTENTS.—The strategic blueprint contained in the report submitted under paragraph (1) shall include—

(A) an assessment of the business model of the Postal Service as of the date on which the report is submitted;

(B) an assessment of potential future business models for the Postal Service, including an evaluation of the appropriate balance between—

(i) necessary reductions in costs and services; and

(ii) additional opportunities for growth and revenue;

(C) a strategy for addressing significant current and future liabilities;

(D) identification of opportunities for further reductions in costs;

(E) identification of opportunities for new and innovative products and services;

(F) a strategy for future growth;

(G) a vision of how the Postal Service will operate in a sustainable manner 20 years after the date of enactment of this Act;

(H) a strategy for ensuring that the Postal Service has a sufficient workforce to meet all of its needs and comply with applicable legal requirements; and

(I) recommendations for any legislative changes necessary to implement the strategic blueprint described in this paragraph.

(i) STUDY AND STRATEGIC PLAN ON INTERAGENCY AGREEMENTS FOR POST OFFICES.—

(1) DUTIES OF ADVISORY COMMISSION.—

(A) STUDY.—

(i) IN GENERAL.—The Advisory Commission shall conduct a study concerning the advisability of the Postal Service entering into interagency agreements with Federal, State, and local agencies, with respect to post offices, that—

(I) streamline and consolidate services provided by Federal, State, and local agencies;

(II) decrease the costs incurred by Federal agencies in providing services to the general public; and

(III) improve the efficiency and maintain the customer service stand-

ards of the Federal, State, and local agencies.

(ii) CLARIFICATION OF INTERAGENCY AGREEMENTS.—The study under clause (i) shall include consideration of the advisability of the Postal Service entering into an interagency agreement with Federal agencies responsible for providing services to the general public.

(B) FINDINGS.—The Advisory Commission shall—

(i) not later than 9 months after the date of enactment of this Act, submit to the Postal Service the findings of the study conducted under subparagraph (A); and

(ii) incorporate the findings described in clause (i) into the strategic blueprint required under subsection (h).

(2) POSTAL SERVICE STRATEGIC PLAN.—

(A) IN GENERAL.—Not later than 6 months after the date on which the Advisory Commission submits to the Postal Service the findings under paragraph (1)(B), the Postal Service shall submit a nonbinding strategic plan for entering

into interagency agreements concerning post offices to—

(i) the Committee on Homeland Security and Governmental Affairs of the Senate; and

(ii) the Committee on Oversight and Government Reform of the House of Representatives.

(B) LIMITATIONS.—The strategic plan submitted under subparagraph (A) shall be consistent with public interest and demand.

(C) COST SAVINGS PROJECTIONS.—The strategic plan submitted under subparagraph (A) shall include, for each proposed interagency agreement, a projection of cost savings to be realized by the Postal Service and by any other Federal agency that is a party to the agreement.

(j) TERMINATION OF THE COMMISSION.—The Advisory Commission shall terminate on the earlier of—

(1) the date that is 60 days after the later of—

(A) the date on which the Advisory Commission submits the report on the strategic blueprint for long-term solvency under subsection (h); or

(B) the date on which the Advisory Commission submits the findings on interagency agreements for post offices under subsection (i); or

(2) the date that is 1 year after the date of enactment.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated out of the Postal Service Fund a total of not more than $3,000,000 for fiscal years 2014 and 2015.

SEC. 403. LONG-TERM SOLVENCY PLAN; ANNUAL FINANCIAL PLAN AND BUDGET.

(a) DEFINITIONS.—In this section—

(1) the term "Board of Governors" means the Board of Governors of the Postal Service;

(2) the term "long-term solvency plan" means the plan required to be submitted by the Postmaster General under subsection (b)(1); and

(3) the term "solvency" means the ability of the Postal Service to pay debts and meet expenses, including the ability to perform maintenance and repairs, make investments, and maintain financial reserves, as necessary to fulfill the requirements under, and comply with the policies of, title 39, United States Code, and other obligations of the Postal Service.

(b) PLAN FOR THE LONG-TERM SOLVENCY OF THE POSTAL SERVICE.—

(1) SOLVENCY PLAN REQUIRED.—

(A) IN GENERAL.—Not later than the date described in subparagraph (B), the Postmaster General shall submit to the Board of Governors a plan describing the actions the Postal Service intends to take to achieve long-term solvency.

(B) DATE.—The date described in this subparagraph is the later of—

(i) the date that is 90 days after the date of enactment of this Act; and

(ii) the earliest date as of which the Board of Governors has the number of members required for a quorum.

(2) CONSIDERATIONS.—The long-term solvency plan shall take into account—

(A) the legal authority of the Postal Service;

(B) changes in the legal authority and responsibilities of the Postal Service under this Act and the amendments made by this Act;

(C) any cost savings that the Postal Service anticipates will be achieved through negotiations with employees of the Postal Service;

(D) projected changes in mail volume;

(E) the impact of any regulations that the Postal Service is required to promulgate under Federal law;

(F) projected changes in the number of employees needed to carry out the responsibilities of the Postal Service; and

(G) the long-term capital needs of the Postal Service, including the need to maintain, repair, and replace facilities and equipment.

(3) REVIEW AND SUBMISSION TO CONGRESS.—

(A) REVIEW.—Upon receipt of the long-term solvency plan, the Board of Governors shall review the long-term solvency plan and may request that the Postmaster General make changes to the long-term solvency plan.

(B) SUBMISSION TO CONGRESS.—Not later than 60 days after initial receipt of the long-term solvency plan, the Board of Governors shall provide a copy of the long-term solvency plan to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives, together with a letter indicating whether and in what respects the

Board of Governors agrees or disagrees with the measures set out in the long-term solvency plan.

(4) UPDATES.—

(A) ANNUAL UPDATES REQUIRED.—The Postmaster General shall update and submit to the Board of Governors the long-term solvency plan not less frequently than annually for 5 years after the date of enactment of this Act.

(B) REVIEW BY BOARD OF GOVERNORS.—The Board of Governors shall review and submit to Congress the updates under this paragraph in accordance with paragraph (3).

(c) ANNUAL FINANCIAL PLAN AND BUDGET.—

(1) IN GENERAL.—For each of the first 5 full fiscal years after the date of enactment of this Act, not later than August 1 of the preceding fiscal year, the Postmaster General shall submit to the Board of Governors a financial plan and budget for the fiscal year that is consistent with the goal of achieving the long-term solvency of the Postal Service.

(2) CONTENTS OF FINANCIAL PLAN AND BUDGET.—The financial plan and budget for a fiscal year shall—

(A) promote the financial stability of the Postal Service and provide for progress towards the long-term solvency of the Postal Service;

(B) include the annual budget program of the Postal Service under section 2009 of title 39, United States Code, and the plan of the Postal Service commonly referred to as the "Integrated Financial Plan";

(C) describe lump-sum expenditures by all categories traditionally used by the Postal Service;

(D) describe capital expenditures, together with a schedule of projected capital commitments and cash outlays of the Postal Service, and proposed sources of funding;

(E) contain estimates of overall debt (both outstanding and expected to be incurred);

(F) contain cash flow and liquidity forecasts for the Postal Service at such intervals as the Board of Governors may require;

(G) include a statement describing methods of estimations and significant assumptions; and

(H) address any other issues that the Board of Governors considers appropriate.

(3) PROCESS FOR SUBMISSION AND APPROVAL OF FINANCIAL PLAN AND BUDGET.—

(A) DEFINITION.—In this paragraph, the term "covered recipient" means—

(i) the Postmaster General;

(ii) the President;

(iii) the Committee on Homeland Security and Governmental Affairs of the Senate; and

(iv) the Committee on Oversight and Government Reform of the House of Representatives.

(B) REVIEW BY THE BOARD OF GOVERNORS.—

(i) IN GENERAL.—Upon receipt of a financial plan and budget under paragraph (1), the Board of Governors shall promptly review the financial plan and budget.

(ii) ADDITIONAL INFORMATION.—In conducting the review under this subparagraph, the Board of Governors may request any additional information it considers necessary and appropriate to carry out the duties of the Board of Governors.

(C) APPROVAL OF FINANCIAL PLAN AND BUDGET SUBMITTED BY THE POSTMASTER GENERAL.—If the Board of Governors determines that the financial plan and budget for a fiscal year received under paragraph (1) meets the requirements under paragraph (2) and otherwise adequately addresses the financial situation of the Postal Service—

(i) the Board of Governors shall approve the financial plan and budget and submit a notice of approval to each covered recipient; and

(ii) the Postmaster General shall submit the annual budget program for the relevant fiscal year to the Office of Management and Budget in accordance with section 2009 of title 39, United States Code.

(D) DISAPPROVAL OF FINANCIAL PLAN AND BUDGET SUBMITTED BY THE POSTMASTER GENERAL.—

(i) IN GENERAL.—If the Board of Governors determines that the financial plan and budget for a fiscal year under paragraph (1) does not meet the requirements under paragraph (2) or is otherwise inad-

equate in addressing the financial situation of the Postal Service, the Board of Governors shall—

(I) disapprove the financial plan and budget;

(II) submit to each covered recipient a statement that describes the reasons for the disapproval;

(III) direct the Postmaster General to appropriately revise the financial plan and budget for the Postal Service; and

(IV) submit the revised financial plan and budget to each covered recipient.

(ii) SUBMISSION TO OFFICE OF MANAGEMENT AND BUDGET.—Upon receipt of a revised financial plan and budget under clause (i)(IV), the Postmaster General shall submit the annual budget program for the relevant fiscal year to the Office of Management and Budget in accordance with section 2009 of title 39, United States Code.

(E) DEADLINE FOR TRANSMISSION OF FINANCIAL PLAN AND BUDGET BY BOARD OF GOV-

ERNORS.—Notwithstanding any other provision of this paragraph, not later than September 30 of the fiscal year that precedes each fiscal year for which a financial plan and budget is required under paragraph (1), the Board of Governors shall submit to each covered recipient—

(i) a notice of approval under subparagraph (C)(i); or

(ii) an approved financial plan and budget for the fiscal year under subparagraph (D)(i)(IV).

(F) REVISIONS TO FINANCIAL PLAN AND BUDGET.—

(i) PERMITTING POSTMASTER GENERAL TO SUBMIT REVISIONS.—The Postmaster General may submit proposed revisions to the financial plan and budget for a fiscal year to the Board of Governors at any time during that fiscal year.

(ii) PROCESS FOR REVIEW, APPROVAL, DISAPPROVAL, AND POSTMASTER GENERAL ACTION.—The procedures described in subparagraphs (B) through (E) shall apply with respect to a proposed revision to a financial plan and budget in the same man-

ner as such procedures apply with respect to the original financial plan and budget.

(d) ASSUMPTIONS BASED ON CURRENT LAW.—In preparing the long-term solvency plan or an annual financial plan and budget required under this section, the Postal Service shall base estimates of revenues and expenditures on Federal law as in effect at the time of the preparation of the long-term solvency plan or the financial plan and budget.

SEC. 404. CHIEF INNOVATION OFFICER; INNOVATION STRATEGY.

(a) CHIEF INNOVATION OFFICER.—

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

"§ 209. Chief innovation officer

"(a) ESTABLISHMENT.—There shall be in the Postal Service a Chief Innovation Officer appointed by the Postmaster General.

"(b) QUALIFICATIONS.—The Chief Innovation Officer shall have proven expertise and a record of accomplishment in areas such as—

"(1) the postal and shipping industry;

"(2) innovative product research and development;

"(3) brand marketing strategy;

"(4) new and emerging technology, including communications technology; or

"(5) business process management.

"(c) DUTIES.—The Chief Innovation Officer shall lead the development and implementation of—

"(1) innovative postal products and services, particularly products and services that use new and emerging technology, including communications technology, to improve the net financial position of the Postal Service; and

"(2) nonpostal services authorized under section 404(a)(6) that have the potential to improve the net financial position of the Postal Service.

"(d) DEADLINE.—The Postmaster General shall appoint a Chief Innovation Officer not later than 90 days after the date of enactment of the Postal Reform Act of 2014.".

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 2 of title 39, United States Code, is amended by adding at the end the following:

"209. Chief Innovation Officer.".

(b) INNOVATION STRATEGY.—

(1) INITIAL REPORT ON INNOVATION STRATEGY.—

(A) IN GENERAL.—Not later than 9 months after the date of enactment of this Act, the Postmaster General, acting through the Chief Innovation Officer, shall submit a report that contains a comprehensive strategy (referred to in this subsection as the "innovation strategy") for improving the net financial position of the Postal Service through innovation, including the offering of new postal and nonpostal services, to—

(i) the Committee on Homeland Security and Governmental Affairs of the Senate; and

(ii) the Committee on Oversight and Government Reform of the House of Representatives.

(B) MATTERS TO BE ADDRESSED.—At a minimum, the report on innovation strategy required under subparagraph (A) shall describe—

(i) the specific innovative postal and nonpostal services to be developed and offered by the Postal Service, including—

(I) the nature of the market demand to be satisfied by each product or service; and

(II) the estimated date by which each product or service will be introduced;

(ii) the cost of developing and offering each product or service;

(iii) the anticipated sales volume for each product or service;

(iv) the anticipated revenues and profits to be generated by each product or service;

(v) the likelihood of success of each product or service and the risks associated with the development and sale of each product or service;

(vi) the trends anticipated in market conditions that may affect the success of each product or service during the 5-year period beginning on the date of the submission of the report under subparagraph (A);

(vii) any innovations designed to improve the net financial position of the Postal Service, other than the offering of new products and services; and

(viii) the metrics that will be used to assess the effectiveness of the innovation strategy.

(2) ANNUAL REPORT.—

(A) IN GENERAL.—Not later than 1 year after the date of the submission of the initial report containing the innovation strategy under paragraph (1), and annually thereafter for 10 years, the Postmaster General, acting through the Chief Innovation Officer, shall submit a report on the implementation of the innovation strategy to—

(i) the Committee on Homeland Security and Governmental Affairs of the Senate; and

(ii) the Committee on Oversight and Government Reform of the House of Representatives.

(B) MATTERS TO BE ADDRESSED.—At a minimum, an annual report submitted under subparagraph (A) shall include—

(i) an update of the initial report on innovation strategy submitted under paragraph (1);

(ii) a description of the progress made by the Postal Service in implementing the products, services, and other innovations described in the initial report on innovation strategy; and

(iii) an analysis of the performance of each product, service, or other innovation described in the initial report on innovation strategy, including—

(I) the revenue generated by each product or service developed in accordance with the innovation strategy under this section and the cost of developing and offering each product or service for the preceding year;

(II) trends in each market in which a product or service is intended to satisfy a demand;

(III) each product or service identified in the innovation strategy that is to be discontinued, the date on which each discontinuance will occur, and the reasons for each discontinuance;

(IV) each alteration that the Postal Service plans to make to a product

or service identified in the innovation strategy to address changing market conditions and an explanation of how each alteration will ensure the success of the product or service;

(V) the performance of innovations other than new products and services that are designed to improve the net financial position of the Postal Service; and

(VI) the performance of the innovation strategy according to the metrics described in paragraph (1)(B)(viii).

SEC. 405. AREA AND DISTRICT OFFICE STRUCTURE.

(a) DEFINITIONS.—In this section—

(1) the term "area office" means the central office of an administrative field unit with responsibility for postal operations in a designated geographic area that is comprised of district offices;

(2) the term "district office" means the central office of an administrative field unit with responsibility for postal operations in a designated geographic area (as defined under regulations, directives, or other

guidance of the Postal Service, as in effect on January 1, 2013); and

(3) the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States.

(b) PLAN REQUIRED.—Not later than 1 year after the date of enactment of this Act, the Postal Service shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a comprehensive strategic plan for an area office and district office structure that will—

(1) be efficient and cost effective;

(2) not substantially and adversely affect the operations of the Postal Service; and

(3) reduce the total number of area and district offices.

(c) IMPLEMENTATION.—Not later than 60 days after the date on which the Postal Service submits the plan under subsection (b), the Postal Service shall begin implementing the plan, including, where appropriate, by consolidating area and district offices.

(d) STATE LIAISON.—If the Postal Service does not maintain a district office in a State, the Postal Service shall designate at least 1 employee of the district office responsible for Postal Service operations in the State to represent the needs of Postal Service customers in the State. An employee designated under this subsection to represent the needs of Postal Service customers in a State shall be located in that State.

SEC. 406. INSPECTOR GENERAL OF THE POSTAL SERVICE.

(a) APPOINTMENT OF INSPECTOR GENERAL OF THE POSTAL SERVICE BY PRESIDENT.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in section 8G—

(A) in subsection (a)—

(i) in paragraph (2), by striking "the Postal Regulatory Commission, and the United States Postal Service" and inserting "and the Postal Regulatory Commission";

(ii) in paragraph (3), by striking "subsection (h)(1)" and inserting "subsection (g)(1)"; and

(iii) in paragraph (4)—

(I) in the matter preceding subparagraph (A), by striking "subsection

(h)(1)" and inserting "subsection (g)(1)";

(II) by striking subparagraph (B); and

(III) by redesignating subparagraphs (C) through (H) as subparagraphs (B) through (G), respectively;

(B) in subsection (c), by striking "Except as provided under subsection (f) of this section, the" and inserting "The";

(C) by striking subsection (f); and

(D) by redesignating subsections (g) and (h) as subsections (f) and (g), respectively;

(2) by inserting after section 8M the following:

"SEC. 8N. SPECIAL PROVISIONS CONCERNING THE INSPECTOR GENERAL OF THE UNITED STATES POSTAL SERVICE.

"(a) In this section—

"(1) the term 'Governors' has the meaning given that term in section 102(3) of title 39, United States Code; and

"(2) the term 'Inspector General' means the Inspector General of the United States Postal Service.

"(b) In carrying out the duties and responsibilities specified in this Act, the Inspector General shall have over-

sight responsibility for all activities of the Postal Inspection Service, including any internal investigation performed by the Postal Inspection Service. The Chief Postal Inspector shall promptly report the significant activities being carried out by the Postal Inspection Service to the Inspector General.

"(c)(1)(A) The Inspector General shall be under the authority, direction, and control of the Governors with respect to audits or investigations, or the issuance of subpoenas, which require access to sensitive information concerning—

"(i) ongoing civil or criminal investigations or proceedings;

"(ii) undercover operations;

"(iii) the identity of confidential sources, including protected witnesses;

"(iv) intelligence or counterintelligence matters; or

"(v) other matters the disclosure of which would constitute a serious threat to national security.

"(B) With respect to the information described under subparagraph (A), the Governors may prohibit the Inspector General from carrying out or completing any audit or investigation, or from issuing any subpoena, after the Inspector General has decided to initiate, carry out, or com-

plete such audit or investigation or to issue such subpoena, if the Governors determine that such prohibition is necessary to prevent the disclosure of any information described under subparagraph (A) or to prevent the significant impairment to the national interests of the United States.

"(C) If the Governors exercise any power under subparagraph (A) or (B), the Governors shall notify the Inspector General in writing of the reasons for the exercise of such power. Not later than 30 days after receipt of any such notice, the Inspector General shall transmit a copy of the notice to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives, and to other appropriate committees or subcommittees of the Congress.

"(2) In carrying out the duties and responsibilities specified in this Act, the Inspector General—

"(A) may initiate, conduct, and supervise such audits and investigations of the United States Postal Service as the Inspector General considers appropriate; and

"(B) shall give particular regard to the activities of the Postal Inspection Service with a view toward

avoiding duplication and ensuring effective coordination and cooperation.

"(3) Any report required to be transmitted by the Governors to the appropriate committees or subcommittees of the Congress under section 5(d) shall also be transmitted, within the 7-day period specified under that section, to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives.

"(d) Nothing in this Act shall restrict, eliminate, or otherwise adversely affect any of the rights, privileges, or benefits of either employees of the United States Postal Service, or labor organizations representing employees of the United States Postal Service, under chapter 12 of title 39, United States Code, the National Labor Relations Act (29 U.S.C. 151 et seq.), any handbook or manual affecting employee labor relations with the United States Postal Service, or any collective bargaining agreement.

"(e) There are authorized to be appropriated, out of the Postal Service Fund, such sums as may be necessary for the Office of Inspector General of the United States Postal Service."; and

(3) in section 12—

(A) in paragraph (1), by striking "or the Director of the National Reconnaissance Office"

and inserting "the Director of the National Reconnaissance Office; or the Board of Governors of the United States Postal Service"; and

(B) in paragraph (2), by striking "or the National Reconnaissance Office" and inserting "the National Reconnaissance Office, or the United States Postal Service".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Title 39, United States Code, is amended—

(1) in section 102(4), by striking "section 202(e) of this title" and inserting "section 3 of the Inspector General Act of 1978 (5 U.S.C. App.)";

(2) in section 1001(b), in the first sentence, by inserting ", and section 3 of the Inspector General Act of 1978 (5 U.S.C. App.)" after "1001(c) of this title"; and

(3) in section 1005(a)(3), by inserting ", and section 3 of the Inspector General Act of 1978 (5 U.S.C. App.)" after "1001(c) of this title".

(c) APPLICABILITY.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to the first individual appointed as Inspector General of the Postal Service after the date of enactment of this Act.

(2) RULE OF CONSTRUCTION.—Nothing in this Act may be construed to alter the authority or the length of the term of the individual serving as Inspector General of the Postal Service on the date of enactment of this Act.

SEC. 407. POSTAL REGULATORY COMMISSION.

(a) COMMISSIONERS.—Section 502 of title 39, United States Code, is amended—

(1) in subsection (c), by striking "subsection (f)" and inserting "subsections (f) and (g)"; and

(2) by adding at the end the following:

"(g) The Commissioners may serve for not more than 2 full terms.".

(b) ADMINISTRATION.—Section 504 of title 39, United States Code, is amended—

(1) in subsection (a), in the second sentence—

(A) by striking "The Chairman" and inserting "Subject to the policies adopted under subsection (b), the Chairman"; and

(B) by striking "all the executive" and inserting "the day-to-day executive";

(2) by amending subsection (b) to read as follows:

"(b)(1) The Chairman shall be governed by the policies adopted by the Commission under paragraph (2)(A) in carrying out any of the functions under this section.

"(2) The Commission shall adopt, by a vote of the majority of the members of the Commission, policies that shall govern all functions of the Commission, including the finances, operations, and administration of the Commission.

"(3) The Commission shall review and, if necessary, revise the policies adopted under paragraph (2) not less frequently than every 4 years. Adoption of revised policies, or re-adoption of existing policies, shall be by a vote of the majority of the members of the Commission."; and

(3) in subsection (c), by striking "The Chairman" and inserting "Subject to the policies adopted under subsection (b), the Chairman".

SEC. 408. POSTAL SERVICE CONTRACTS AND CONGRESSIONAL OVERSIGHT AUTHORITY.

(a) IN GENERAL.—Chapter 4 of title 39, United States Code, is amended by adding at the end the following:

"§ 417. Postal Service contracts and congressional oversight authority

"The Postal Service may not enter into any contract that restricts the ability of Congress to exercise oversight authority.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 4 of title 39, United States Code, is amended by adding at the end the following:

"417. Postal Service contracts and congressional oversight authority.".

TITLE V—FEDERAL EMPLOYEES' COMPENSATION ACT

SEC. 501. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This title may be cited as the "Workers' Compensation Reform Act of 2014".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 5, United States Code.

SEC. 502. FEDERAL WORKERS COMPENSATION REFORMS FOR RETIREMENT-AGE EMPLOYEES.

(a) CONVERSION OF ENTITLEMENT AT RETIREMENT AGE.—

(1) DEFINITIONS.—Section 8101 is amended—

(A) in paragraph (18), by striking "and" at the end;

(B) in paragraph (19), by striking "and" at the end;

(C) in paragraph (20), by striking the period at the end and inserting a semicolon; and

(D) by adding at the end the following:

"(21) 'retirement age' has the meaning given that term under section 216(l)(1) of the Social Security Act (42 U.S.C. 416(l)(1));

"(22) 'covered claim for total disability' means a claim for a period of total disability that commenced before the date of enactment of the Workers' Compensation Reform Act of 2014;

"(23) 'covered claim for partial disability' means a claim for a period of partial disability that commenced before the date of enactment of the Workers' Compensation Reform Act of 2014; and

"(24) 'individual who has an exempt disability condition' means an individual—

"(A) who—

"(i) is eligible to receive continuous periodic compensation for total disability under section 8105 on the date of enactment of the Workers' Compensation Reform Act of 2014; and

"(ii) meets the criteria under section 8105(c);

"(B) who, on the date of enactment of the Workers' Compensation Reform Act of 2014—

"(i) is eligible to receive continuous periodic compensation for total disability under section 8105; and

"(ii) has sustained a currently irreversible severe mental or physical disability for which the Secretary of Labor has authorized, for at least the 1-year period ending on the date of enactment of the Workers' Compensation Reform Act of 2014, constant in-home care or custodial care, such as placement in a nursing home; or

"(C) who is eligible to receive continuous periodic compensation for total disability under section 8105—

"(i) for not less than the 3-year period ending on the date of enactment of the Workers' Compensation Reform Act of 2014; or

"(ii) if the individual became eligible to receive continuous periodic compensation for total disability under section 8105 during the period beginning on the date that is 3 years before the date of enactment of the Workers' Compensation Reform Act of 2014 and ending on such date of enactment, for

not less than the 3-year period beginning on the date on which the individual became eligible.".

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

(A) in subsection (a), by striking "If" and inserting "IN GENERAL.—Subject to subsection (b), if";

(B) by redesignating subsection (b) as subsection (c); and

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

"(b) CONVERSION OF ENTITLEMENT AT RETIREMENT AGE.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the basic compensation for total disability for an employee who has attained retirement age shall be 50 percent of the monthly pay of the employee.

"(2) EXCEPTIONS.—

"(A) COVERED RECIPIENTS WHO HAVE ATTAINED RETIREMENT AGE, HAVE AN EXEMPT DISABILITY CONDITION, OR FACE FINANCIAL HARDSHIP.—Paragraph (1) shall not apply to a covered claim for total disability by an employee if the employee—

"(i) on the date of enactment of the Workers' Compensation Reform Act of 2014, has attained retirement age;

"(ii) is an individual who has an exempt disability condition; or

"(iii) is a member of a household that would meet the income and assets requirements for eligibility for the supplemental nutrition assistance program as described in section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) (not including any provisions permitting eligibility due to benefits received under any other law) if the basic compensation for total disability of the employee were provided in accordance with paragraph (1).

"(B) TRANSITION PERIOD FOR CERTAIN EMPLOYEES.—For a covered claim for total disability by an employee who is not an employee described in subparagraph (A), the employee shall receive the basic compensation for total disability provided under subsection (a) until the later of—

"(i) the date on which the employee attains retirement age; and

"(ii) the date that is 3 years after the date of enactment of the Workers' Compensation Reform Act of 2014.".

(3) PARTIAL DISABILITY.—Section 8106 is amended—

(A) in subsection (a), by striking "If" and inserting "IN GENERAL.—Subject to subsection (b), if";

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

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

"(b) CONVERSION OF ENTITLEMENT AT RETIREMENT AGE.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the basic compensation for partial disability for an employee who has attained retirement age shall be 50 percent of the difference between the monthly pay of the employee and the monthly wage-earning capacity of the employee after the beginning of the partial disability.

"(2) EXCEPTIONS.—

"(A) COVERED RECIPIENTS WHO HAVE ATTAINED RETIREMENT AGE OR FACE FINANCIAL HARDSHIP.—Paragraph (1) shall not apply to a

covered claim for partial disability by an employee if the employee—

"(i) on the date of enactment of the Workers' Compensation Reform Act of 2014, has attained retirement age; or

"(ii) is a member of a household that would meet the income and assets requirements for eligibility for the supplemental nutrition assistance program as described in section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) (not including any provisions permitting eligibility due to benefits received under any other law) if the basic compensation for total disability of the employee were provided in accordance with paragraph (1).

"(B) TRANSITION PERIOD FOR CERTAIN EMPLOYEES.—For a covered claim for partial disability by an employee who is not an employee described in subparagraph (A), the employee shall receive basic compensation for partial disability in accordance with subsection (a) until the later of—

"(i) the date on which the employee attains retirement age; and

"(ii) the date that is 3 years after the date of enactment of the Workers' Compensation Reform Act of 2014.".

SEC. 503. AUGMENTED COMPENSATION FOR DEPENDENTS.

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

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

"(b) TERMINATION OF AUGMENTED COMPENSATION.—

"(1) IN GENERAL.—Subject to paragraph (2), augmented compensation for dependants under subsection (c) shall not be provided.

"(2) EXCEPTIONS.—

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

"(i) the employee shall receive augmented compensation under subsection (c) if the employee is an individual who has an exempt disability condition; and

"(ii) the employee shall receive augmented compensation under subsection (c) until the date that is 3 years after the date of enactment of the Workers' Compensation

Reform Act of 2014 if the employee is not an employee described in clause (i).

"(B) PARTIAL DISABILITY.—For a covered claim for partial disability by an employee, the employee shall receive augmented compensation under subsection (c) until the date that is 3 years after the date of enactment of the Workers' Compensation Reform Act of 2014.

"(C) PERMANENT DISABILITY COMPENSATED BY A SCHEDULE.—For a claim for a permanent disability described in section 8107(a) by an employee that commenced before the date of enactment of the Workers' Compensation Reform Act of 2014, the employee shall receive augmented compensation under subsection (c).".

(b) MAXIMUM AND MINIMUM MONTHLY PAYMENTS.—Section 8112 is amended—

(1) in subsection (a)—

(A) by inserting "subsections (b) and (c) and" before "section 8138";

(B) by striking "including augmented compensation under section 8110 of this title but"; and

(C) by striking "75 percent" each place it appears and inserting "66 2/3 percent";

(2) by redesignating subsection (b) as subsection (c);

(3) by inserting after subsection (a) the following:

"(b) EXCEPTIONS.—

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

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

"(B) subsection (a) shall be applied by substituting '75 percent' for '66 2/3 percent' each place it appears.

"(2) PARTIAL DISABILITY.—For a covered claim for partial disability by an employee, until the date that is 3 years after the date of enactment of the Workers' Compensation Reform Act of 2014—

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

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

"(B) subsection (a) shall be applied by substituting '75 percent' for '66 ⅔ percent' each place it appears."; and

(4) in subsection (c), as redesignated by paragraph (2), by striking "subsection (a)" and inserting "subsections (a) and (b)".

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

(1) in subsections (a) and (e), by striking "75 percent" each place it appears and inserting "66 ⅔ percent (except as provided in subsection (g))"; and

(2) by adding at the end the following:

"(g) If the death occurred before the date of enactment of the Workers' Compensation Reform Act of 2014, subsections (a) and (e) shall be applied by substituting '75 percent' for '66 ⅔ percent' each place it appears.".

(d) DEATH BENEFITS FOR CIVIL AIR PATROL VOLUNTEERS.—Section 8141 is amended—

(1) in subsection (b)(2)(B) by striking "75 percent" and inserting "66 ⅔ percent (except as provided in subsection (c))";

(2) by redesignating subsection (c) as subsection (d); and

(3) by inserting after subsection (b) the following:

"(c) If the death occurred before the date of enactment of the Workers' Compensation Reform Act of 2014, subsection (b)(2)(B) shall be applied by substituting '75 percent' for '66 2/3 percent'.".

SEC. 504. SCHEDULE COMPENSATION PAYMENTS.

Section 8107 is amended—

(1) in subsection (a), by striking "at the rate of 66 2/3 percent of his monthly pay" and inserting "at the rate specified under subsection (d)"; and

(2) by adding at the end the following:

"(d) RATE FOR COMPENSATION.—

"(1) ANNUAL SALARY.—

"(A) IN GENERAL.—Except as provided in paragraph (2), the rate under subsection (a) shall be the rate of 66 2/3 percent of the annual salary level established under subparagraph (B), in a lump sum equal to the present value (as calculated under subparagraph (C)) of the amount of compensation payable under the schedule.

"(B) ESTABLISHMENT.—

"(i) IN GENERAL.—The Secretary of Labor shall establish an annual salary for purposes of subparagraph (A) in the amount the Secretary determines will result in the aggregate cost of payments made under this section being equal to what would have been the aggregate cost of payments under this section if the amendments made by section 504 of the Workers' Compensation Reform Act of 2014 had not been enacted.

"(ii) COST OF LIVING ADJUSTMENT.—The annual salary established under clause (i) shall be increased on March 1 of each year by the amount determined by the Secretary of Labor to represent the percent change in the price index published for December of the preceding year over the price index published for the December of the year prior to the preceding year, adjusted to the nearest one-tenth of 1 percent.

"(C) PRESENT VALUE.—The Secretary of Labor shall calculate the present value for purposes of subparagraph (A) using a rate of interest equal to the average market yield for out-

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

"(2) CERTAIN INJURIES.—For an injury that occurred before the date of enactment of the Workers' Compensation Reform Act of 2014, the rate under subsection (a) shall be 66 ⅔ percent of the employee's monthly pay.

"(e) SIMULTANEOUS RECEIPT.—

"(1) TOTAL DISABILITY.—An employee who receives compensation for total disability under section 8105 may only receive the lump sum of schedule compensation under this section in addition to and simultaneously with the benefits for total disability after the earlier of—

"(A) the date on which the basic compensation for total disability of the employee becomes 50 percent of the monthly pay of the employee under section 8105(b); or

"(B) the date on which augmented compensation of the employee terminates under section 8110(b)(2)(A)(ii), if the employee receives such compensation.

"(2) PARTIAL DISABILITY.—An employee who receives benefits for partial disability under section 8106 may only receive the lump sum of schedule compensation under this section in addition to and simultaneously with the benefits for partial disability after the earlier of—

"(A) the date on which the basic compensation for partial disability of the employee becomes 50 percent of the difference between the monthly pay of the employee and the monthly wage-earning capacity of the employee after the beginning of the partial disability under section 8106(b); or

"(B) the date on which augmented compensation of the employee terminates under section 8110(b)(2)(B), if the employee receives such compensation.".

SEC. 505. VOCATIONAL REHABILITATION.

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

(1) in subsection (a)—

(A) by striking "(a) The Secretary of Labor may" and all that follows through "undergo vocational rehabilitation." and inserting the following:

"(a) IN GENERAL.—

"(1) DIRECTION.—Except as provided in paragraph (2), not earlier than the date that is 6 months after the date on which an individual eligible for wage-loss compensation under section 8105 or 8106 is injured, or by such other date as the Secretary of Labor determines it would be reasonable under the circumstances for the individual to begin vocational rehabilitation, and if vocational rehabilitation may enable the individual to become capable of more gainful employment, the Secretary of Labor shall direct the individual to participate in developing a comprehensive return to work plan and to undergo vocational rehabilitation at a location a reasonable distance from the residence of the individual.";

(B) by striking "the Secretary of Health, Education, and Welfare in carrying out the purposes of chapter 4 of title 29" and inserting "the Secretary of Education in carrying out the purposes of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.)";

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

(D) by adding at the end the following:

"(2) EXCEPTION.—The Secretary of Labor may not direct an individual who has attained retirement age to participate in developing a comprehensive return to work plan or to undergo vocational rehabilitation.";

(2) by redesignating subsection (b) as subsection (c);

(3) by inserting after subsection (a) the following:

"(b) CONTENTS OF RETURN TO WORK PLAN.—A return to work plan developed under subsection (a)—

"(1) shall—

"(A) set forth specific measures designed to increase the wage-earning capacity of an individual;

"(B) take into account the prior training and education of the individual and the training, educational, and employment opportunities reasonably available to the individual; and

"(C) provide that any employment undertaken by the individual under the return to work plan be at a location a reasonable distance from the residence of the individual;

"(2) may provide that the Secretary will pay out of amounts in the Employees' Compensation Fund reasonable expenses of vocational rehabilitation (which may include tuition, books, training fees, supplies, equipment, and child or dependent care) during the course of the plan; and

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

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

(A) by inserting "COMPENSATION.—" before "Notwithstanding"; and

(B) by striking ", other than employment undertaken pursuant to such rehabilitation"; and

(5) by adding at the end the following:

"(d) ASSISTED REEMPLOYMENT AGREEMENTS.—

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

eral Government or a State or local government or a private employer that employs an individual eligible for wage-loss compensation under section 8105 or 8106 to enable the individual to return to productive employment.

"(2) CONTENTS.—An assisted reemployment agreement under paragraph (1)—

"(A) may provide that the Secretary will use amounts in the Employees' Compensation Fund to reimburse an employer in an amount equal to not more than 100 percent of the compensation the individual would otherwise receive under section 8105 or 8106; and

"(B) may not be for a period of more than 3 years.

"(e) LIST.—To facilitate the hiring of individuals eligible for wage-loss compensation under section 8105 or 8106, the Secretary shall provide a list of such individuals to the Office of Personnel Management, which the Office of Personnel Management shall provide to all agencies and instrumentalities of the Federal Government.".

(b) EMPLOYEES' COMPENSATION FUND.—Section 8147 is amended by adding at the end:

"(d) Notwithstanding subsection (b), any benefits or other payments paid to or on behalf of an employee under

this subchapter or any extension or application thereof for a recurrence of injury, consequential injury, aggravation of injury, or increase in percentage of impairment to a member for which compensation is provided under the schedule under section 8107 suffered in a permanent position with an agency or instrumentality of the United States while the employment with the agency or instrumentality is covered under an assisted reemployment agreement entered into under section 8104(d) shall not be included in total cost of benefits and other payments in the statement provided to the agency or instrumentality under subsection (b) if the injury was originally incurred in a position not covered by an assisted reemployment agreement.".

(c) TERMINATION OF VOCATIONAL REHABILITATION REQUIREMENT AFTER RETIREMENT AGE.—Section 8113(b) is amended by adding at the end the following: "An individual who has attained retirement age may not be required to undergo vocational rehabilitation.".

(d) MANDATORY BENEFIT REDUCTION FOR NONCOMPLIANCE.—Section 8113(b) is amended by striking "may reduce" and inserting "shall reduce".

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

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

"§ 1538. Authorization for assisted reemployment

"Funds may be transferred from the Employees' Compensation Fund established under section 8147 of title 5 to the applicable appropriations account for an agency or instrumentality of any branch of the Federal Government for the purposes of reimbursing the agency or instrumentality in accordance with an assisted reemployment agreement entered into under section 8104 of title 5.".

(2) TABLE OF SECTIONS.—The table of sections for chapter 15 of title 31, United States Code, is amended by inserting after the item relating to section 1537 the following:

"1538. Authorization for assisted reemployment.".

SEC. 506. REPORTING REQUIREMENTS.

(a) IN GENERAL.—Chapter 81 is amended by inserting after section 8106 the following:

"§ 8106a. Reporting requirements

"(a) DEFINITION.—In this section, the term 'employee receiving compensation' means an employee who—

"(1) is paid compensation under section 8105 or 8106; and

"(2) has not attained retirement age.

"(b) AUTHORITY.—The Secretary of Labor shall require an employee receiving compensation to report the earnings of the employee receiving compensation from em-

ployment or self-employment, by affidavit or otherwise, in the manner and at the times the Secretary specifies.

"(c) CONTENTS.—An employee receiving compensation shall include in a report required under subsection (a) the value of housing, board, lodging, and other advantages which are part of the earnings of the employee receiving compensation in employment or self-employment and the value of which can be estimated.

"(d) FAILURE TO REPORT AND FALSE REPORTS.—

"(1) IN GENERAL.—An employee receiving compensation who fails to make an affidavit or other report required under subsection (b) or who knowingly omits or understates any part of the earnings of the employee in such an affidavit or other report shall forfeit the right to compensation with respect to any period for which the report was required.

"(2) FORFEITED COMPENSATION.—Compensation forfeited under this subsection, if already paid to the employee receiving compensation, shall be recovered by a deduction from the compensation payable to the employee or otherwise recovered under section 8129, unless recovery is waived under that section.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for chapter 81 is amended by inserting after the item relating to section 8106 the following:

"8106a. Reporting requirements.".

SEC. 507. DISABILITY MANAGEMENT REVIEW; INDEPENDENT MEDICAL EXAMINATIONS.

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

"(e) DISABILITY MANAGEMENT REVIEW.—

"(1) DEFINITIONS.—In this subsection—

"(A) the term 'covered employee' means an employee who is in continuous receipt of compensation for total disability under section 8105 for a period of not less than 6 months; and

"(B) the term 'disability management review process' means the disability management review process established under paragraph (2)(A).

"(2) ESTABLISHMENT.—The Secretary of Labor shall—

"(A) establish a disability management review process for the purpose of certifying and monitoring the disability status and extent of injury of each covered employee; and

"(B) promulgate regulations for the administration of the disability management review process.

"(3) PHYSICAL EXAMINATIONS REQUIRED.—Under the disability management review process, the Secretary of Labor shall periodically require covered

employees to submit to physical examinations under subsection (a) by physicians selected by the Secretary. A physician conducting a physical examination of a covered employee shall submit to the Secretary a report regarding the nature and extent of the injury to and disability of the covered employee.

"(4) FREQUENCY.—

"(A) IN GENERAL.—The regulations promulgated under paragraph (2)(B) shall specify the process and criteria for determining when and how frequently a physical examination should be conducted for a covered employee.

"(B) MINIMUM FREQUENCY.—

"(i) INITIAL.—An initial physical examination shall be conducted not more than a brief period after the date on which a covered employee has been in continuous receipt of compensation for total disability under section 8015 for 6 months.

"(ii) SUBSEQUENT EXAMINATIONS.—After the initial physical examination, physical examinations of a covered employee shall be conducted not less than once every 3 years.

"(5) EMPLOYING AGENCY OR INSTRUMENTALITY REQUESTS.—

"(A) IN GENERAL.—The agency or instrumentality employing an employee who has made a claim for compensation for total disability under section 8105 may at any time submit a request for the Secretary of Labor to promptly require the employee to submit to a physical examination under this subsection.

"(B) REQUESTING OFFICER.—A request under subparagraph (A) shall be made on behalf of an agency or instrumentality by—

"(i) the head of the agency or instrumentality;

"(ii) the Chief Human Capital Officer of the agency or instrumentality; or

"(iii) if the agency or instrumentality does not have a Chief Human Capital Officer, an officer with responsibilities similar to those of a Chief Human Capital Officer designated by the head of the agency or instrumentality to make requests under this paragraph.

"(C) INFORMATION.—A request under subparagraph (A) shall be in writing and accompanied by—

"(i) a certification by the officer making the request that the officer has reviewed the relevant material in the employee's file;

"(ii) an explanation of why the officer has determined, based on the materials in the file and other information known to the officer, that requiring a physical examination of the employee under this subsection is necessary; and

"(iii) copies of the materials relating to the employee that are relevant to the officer's determination and request, unless the agency or instrumentality has a reasonable basis for not providing the materials.

"(D) EXAMINATION.—If the Secretary of Labor receives a request under this paragraph before an employee has undergone an initial physical examination under paragraph (4)(B)(i), the Secretary shall promptly require the physical examination of the employee. A physical examination under this subparagraph shall satisfy the requirement under paragraph

(4)(B)(i) that an initial physical examination be conducted.

"(E) AFTER INITIAL EXAMINATION.—

"(i) IN GENERAL.—If the Secretary of Labor receives a request under this paragraph after an employee has undergone an initial physical examination under paragraph (4)(B)(i), the Secretary shall—

"(I) review the request and the information, explanation, and other materials submitted with the request; and

"(II) determine whether to require the physical examination of the employee who is the subject of the request.

"(ii) NOT GRANTED.—If the Secretary determines not to grant a request described in clause (i), the Secretary shall promptly notify the officer who made the request and provide an explanation of the reasons why the request was denied.".

SEC. 508. WAITING PERIOD.

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

*(1) in the section heading, by striking "**Time of accrual of right**" and inserting "**Waiting period**";*

(2) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking "An employee" and all that follows through "is not entitled" and inserting "IN GENERAL.—An employee is not entitled to continuation of pay within the meaning of section 8118 for the first 3 days of temporary disability or, if section 8118 does not apply, is not entitled";

(B) in paragraph (1), by adding "or" at the end;

(C) by striking paragraph (2); and

(D) by redesignating paragraph (3) as paragraph (2); and

(3) in subsection (b)—

(A) by striking "A Postal Service" the first place it appears and all that follows through "A Postal Service" the second place it appears and inserting "USE OF LEAVE.—An";

(B) by striking "that 3-day period" and inserting "the first 3 days of temporary disability"; and

(C) by striking "or is followed by permanent disability".

(b) CONTINUATION OF PAY.—Section 8118 is amended—

*(1) in the section heading, by striking "**; election to use annual or sick leave**";*

(2) in subsection (b)(1), by striking "section 8117(b)" and inserting "section 8117";

(3) by striking subsection (c); and

(4) by redesignating subsection (d) as subsection (c).

(c) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for chapter 81 is amended by striking the items relating to sections 8117 and 8118 and inserting the following:

"8117. Waiting period.
"8118. Continuation of pay.".

SEC. 509. ELECTION OF BENEFITS.

(a) IN GENERAL.—Section 8116 is amended by adding at the end the following:

"(e) RETIREMENT BENEFITS.—

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

"(2) ELECTION.—

"(A) DEADLINE.—An individual shall make an election under paragraph (1) in accordance

with such deadlines as the Secretary of Labor shall establish, which shall be a reasonable period after the individual has received notice of a final determination that the individual is entitled to compensation benefits payable under this subchapter.

"(B) REVOCABILITY.—An election under paragraph (1) shall be revocable, notwithstanding any other provision of law, except for any period during which an individual—

"(i) was qualified for benefits payable under both this subchapter and under a retirement system described in paragraph (1); and

"(ii) was paid benefits under the retirement system after having been notified of eligibility for benefits under this subchapter.

"(3) INFORMED CHOICE.—The Secretary of Labor shall provide information, and shall ensure that information is provided, to an individual described in paragraph (1) about the benefits available to the individual under this subchapter or under chapter 83 or 84 or any other retirement system re-

ferred to in paragraph (1) the individual may elect to receive.".

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

SEC. 510. SANCTION FOR NONCOOPERATION WITH FIELD NURSES.

Section 8123, as amended by section 507, is amended by adding at the end the following:

"(f) FIELD NURSES.—

"(1) DEFINITION.—In this subsection, the term 'field nurse' means a registered nurse that assists the Secretary in the medical management of disability claims under this subchapter and provides claimants with assistance in coordinating medical care.

"(2) AUTHORIZATION.—The Secretary may use field nurses to coordinate medical services and vocational rehabilitation programs for injured employees under this subchapter. If an employee refuses to cooperate with a field nurse or obstructs a field nurse in the performance of duties under this subchapter, the right to compensation under this subchapter shall be suspended until the refusal or obstruction stops.".

SEC. 511. SUBROGATION OF CONTINUATION OF PAY.

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

(1) in subsection (a), in the matter preceding paragraph (1), by inserting "continuation of pay or" before "compensation";

(2) in subsection (b), by inserting "continuation of pay or" before "compensation"; and

(3) in subsection (c)—

(A) by inserting "continuation of pay or" before "compensation already paid"; and

(B) by inserting "continuation of pay or" before "compensation payable".

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

(1) in the first sentence—

(A) by inserting "continuation of pay or" before "compensation is payable";

(B) by inserting "continuation of pay or" before "compensation from the United States";

(C) by striking "by him or in his behalf" and inserting "by the beneficiary or on behalf of the beneficiary";

(D) by inserting "continuation of pay and" before "compensation paid by the United States"; and

(E) by striking "compensation payable to him" and inserting "continuation of pay or compensation payable to the beneficiary";

(2) in the second sentence, by striking "his designee" and inserting "the designee of the beneficiary"; and

(3) in the fourth sentence, by striking "If compensation" and all that follows through "payable to him by the United States" and inserting "If continuation of pay or compensation has not been paid to the beneficiary, the money or property shall be credited against continuation of pay or compensation payable to the beneficiary by the United States".

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 512. INTEGRITY AND COMPLIANCE.

(a) IN GENERAL.—Subchapter I of chapter 81 is amended by adding at the end the following:

"§ 8153. Integrity and Compliance Program

"(a) DEFINITIONS.—In this section—

"(1) the term 'FECA program' means the Federal Employees Compensation Program administered under this subchapter;

"(2) the term 'improper payment' has the meaning given that term in section 2(g) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note);

"(3) the term 'Inspector General'—

"(A) means an Inspector General described in subparagraph (A), (B), or (I) of section 11(b)(1) of the Inspector General Act of 1978 (5 U.S.C. App.); and

"(B) does not include the Inspector General of an entity having no employees covered under the FECA program;

"(4) the term 'Integrity and Compliance Program' means the Integrity and Compliance Program established under subsection (b);

"(5) the term 'provider' means a provider of medical or other services under the FECA program;

"(6) the term 'Secretary' means the Secretary of Labor; and

"(7) the term 'Task Force' means the FECA Integrity and Compliance Task Force established under subsection (c)(2)(A).

"(b) INTEGRITY AND COMPLIANCE PROGRAM.—Not later than 270 days after the date of enactment of this section, the Secretary shall establish an Integrity and Compli-

ance Program for the purpose of preventing, identifying, and recovering fraudulent and other improper payments for the FECA program, which shall include—

"(1) procedures for identifying potentially improper payments before payment is made to claimants and providers, including, where appropriate, predictive analytics;

"(2) reviews after payment is made to identify potentially improper payments to claimants and providers;

"(3) ongoing screening and verification procedures to ensure the continued eligibility of medical providers to provide services under the FECA program, including licensure, Federal disbarment, and the existence of relevant criminal convictions;

"(4) provision of appropriate information, education, and training to claimants and providers on requirements to ensure the integrity of the FECA program, including payments under the FECA program;

"(5) appropriate controls and audits to ensure that providers adopt internal controls and procedures for compliance with requirements under the FECA program;

"(6) procedures to ensure—

"(A) initial and continuing eligibility of claimants for compensation, benefits, or services under the FECA program; and

"(B) ongoing verification of information in databases relating to claimants to ensure accuracy and completeness; and

"(7) sharing and accessing data and information with other agencies and instrumentalities of the United States, including the United States Postal Service.

"(c) INTERAGENCY COOPERATION ON ANTI-FRAUD EFFORTS.—

"(1) IN GENERAL.—In administering the FECA program, including the Integrity and Compliance Program, the Secretary shall cooperate with other agencies and instrumentalities of the United States (including the United States Postal Service) and the Inspectors General of such agencies and instrumentalities to prevent, identify, and recover fraudulent and other improper payments under the FECA program.

"(2) TASK FORCE.—

"(A) IN GENERAL.—There is established a task force, which shall be known as the FECA Integrity and Compliance Task Force.

"(B) MEMBERSHIP.—The members of the Task Force shall be—

"(i) the Secretary, who shall serve as the Chairperson of the Task Force;

"(ii) the Postmaster General, who shall serve as the Vice Chairperson of the Task Force;

"(iii) the Attorney General;

"(iv) the Director of the Office of Management and Budget; and

"(v) other appropriate Federal officials, as determined by the Chairperson and Vice Chairperson of the Task Force.

"(C) ADVISORY MEMBERS.—The following officials shall attend meetings of the Task Force and participate as ad hoc, advisory members, to provide technical assistance and guidance to the Task Force with respect to the duties of the Task Force:

"(i) The Inspector General of the Department of Labor.

"(ii) The Inspector General of the United States Postal Service.

"(iii) The Inspectors General of other appropriate agencies and instrumentalities

of the United States that employ a significant number of individuals receiving compensation, benefits, or services under the FECA program, as determined by the Chairperson of the Task Force.

"(D) DUTIES.—The Task Force shall—

"(i) set forth, in writing, a description of the respective roles and responsibilities in preventing, identifying, recovering, and prosecuting fraud under, and otherwise ensuring integrity and compliance of, the FECA program of—

"(I) the Secretary (including subordinate officials such as the Director of the Office of Workers' Compensation Programs);

"(II) the Inspector General of the Department of Labor;

"(III) the Inspectors General of agencies and instrumentalities of the United States that employ claimants under the FECA program;

"(IV) the Attorney General; and

"(V) any other relevant officials;

"(ii) develop procedures for sharing information of possible fraud under the FECA program or other intentional misstatements by claimants or providers under the FECA program, including procedures addressing—

"(I) notification of appropriate officials of the Department of Labor of potential fraud or other intentional misstatements, including provision of supporting information;

"(II) timely and appropriate response by officials of the Department of Labor to notifications described in subclause (I);

"(III) the inclusion of information and evidence relating to fraud and other intentional misstatements in criminal, civil, and administrative proceedings relating to the provision of compensation, benefits, or medical services (including payments to providers) under the FECA program;

"(IV) the coordination of criminal investigations with the administration of the FECA program; and

"(V) the protection of information relating to an investigation of possible fraud under the FECA program from potential disclosure, including requirements that enable investigative files to be appropriately separated from case management files; and

"(iii) not later than 1 year after the date of enactment of this section, submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform and the Committee on Education and the Workforce of the House of Representatives a report that includes the description and procedures required under clauses (i) and (ii).

"(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to limit or restrict any authority of an Inspector General.

"(d) IMPROVEMENTS TO ACCESS OF FEDERAL DATABASES.—

"(1) IN GENERAL.—In order to improve compliance with the requirements under and the integrity of the FECA program, or as required to otherwise detect

and prevent improper payments under the FECA program (including for purposes of computer matching under subsection (e)(1)(D)), upon written request—

"(A) the Commissioner of Social Security shall make available to the Secretary, the Postmaster General, and each Inspector General the Social Security earnings information of a living or deceased employee;

"(B) the Director of the Office of Personnel Management shall make available to the Secretary, the Postmaster General, and each Inspector General the information in the databases of Federal employees and retirees maintained by the Director; and

"(C) the Secretary of Veterans Affairs shall make available to the Secretary, the Postmaster General, and each Inspector General the information in the database of disabled individuals maintained by the Secretary of Veterans Affairs.

"(2) NATIONAL DIRECTORY OF NEW HIRES.—Upon written request, the Secretary of Health and Human Services shall make available to the Secretary, the Postmaster General, each Inspector General, and the Comptroller General of the United

States the information in the National Directory of New Hires for purposes of carrying out this subchapter, in order to improve compliance with the requirements under and the integrity of the FECA program, or as required to otherwise detect and prevent improper payments under the FECA program (including for purposes of computer matching under subsection (e)(1)(D)). The Comptroller General may obtain information from the National Directory of New Hires for purposes of any audit, evaluation, or investigation, including any audit, evaluation, or investigation relating to program integrity.

"(3) PROCEDURES.—The Secretary shall establish procedures for correlating the identity and status of recipients of compensation, benefits, or services under this subchapter with Social Security earnings information described in paragraph (1)(A).

"(4) PROVISION.—Information requested under this subsection shall be provided—

"(A) in a timely manner;

"(B) at a reasonable cost to the Secretary, the Postmaster General, or an Inspector General;

"(C) without cost to the Comptroller General of the United States; and

"(D) in the manner, frequency, and form reasonably specified by the officer making the request, which, upon request, shall include electronic form.

"(5) ASSESSMENT OF DATA COST-EFFECTIVENESS.—

"(A) IN GENERAL.—The Secretary shall consider and assess procedures for correlating the identity and status of recipients of compensation, benefits, or services under this subchapter with information relating to employees, retirees, and individuals described in subparagraphs (B) and (C) of paragraph (1) and paragraph (2).

"(B) REPORT.—Not later than 1 year after the date of enactment of this section, the Secretary shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform and the Committee on Education and the Workforce of the House of Representatives a report on the cost-effectiveness of the use of the databases described in subparagraphs (B) and (C) of paragraph (1) and paragraph (2) for program compliance and integrity. The report required under this subparagraph

may be included as part of the report required under subsection (f).

"(6) UNITED STATES POSTAL SERVICE FECA ENROLLEE DATABASE.—Not later than 180 days after the date of enactment of this section, in order to track, verify, and communicate with the Secretary and other relevant entities, the Postmaster General shall establish an electronic database of information relating to employees of the United States Postal Service who have applied for or are receiving compensation, benefits, or services under this subchapter.

"(7) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to limit the authority of the Comptroller General of the United States under section 716 of title 31.

"(e) GENERAL PROTOCOLS AND SECURITY.—

"(1) ESTABLISHMENT.—

"(A) IN GENERAL.—In order to ensure strong information security and privacy standards, the Task Force shall establish protocols for the secure transfer and storage of any information provided to an individual or entity under this section.

"(B) CONSIDERATIONS.—In establishing protocols under subparagraph (A), the Task

Force shall consider any recommendations submitted to the Secretary by the Inspector General of the Department of Health and Human Services with respect to the secure transfer and storage of information, and to comply with privacy laws and best practices.

"(C) FRAUD CASE PROTECTION.—The Task Force shall establish protocols and procedures to enable information and materials relating to an active investigation of possible fraud relating to the FECA program to be appropriately kept separate from the files for employees relating to the provision of compensation, benefits, or services under the FECA program.

"(D) COMPUTER MATCHING BY FEDERAL AGENCIES FOR PURPOSES OF INVESTIGATION AND PREVENTION OF IMPROPER PAYMENTS AND FRAUD.—

"(i) IN GENERAL.—Except as provided in this subparagraph, in accordance with section 552a (commonly known as the Privacy Act of 1974), the Secretary, the Postmaster General, each Inspector General, and the head of each agency may enter into computer matching agreements that allow

ongoing data matching (which shall include automated data matching) in order to assist in the detection and prevention of improper payments under the FECA program.

"(ii) REVIEW.—Not later than 60 days after a proposal for an agreement under clause (i) has been presented to a Data Integrity Board established under section 552a(u) for consideration, the Data Integrity Board shall approve or deny the agreement.

"(iii) TERMINATION DATE.—An agreement under clause (i)—

"(I) shall have a termination date of less than 3 years; and

"(II) during the 3-month period ending on the date on which the agreement is scheduled to terminate, may be renewed by the agencies entering the agreement for not more than 3 years.

"(iv) MULTIPLE AGENCIES.—For purposes of this subparagraph, section 552a(o)(1) shall be applied by substituting 'between the source agency and the recipient agency or non-Federal agency or an agree-

ment governing multiple agencies' for 'between the source agency and the recipient agency or non-Federal agency' in the matter preceding subparagraph (A).

"(v) COST-BENEFIT ANALYSIS.—An agreement under clause (i) may be entered without regard to section 552a(o)(1)(B), relating to a cost-benefit analysis of the proposed matching program.

"(vi) GUIDANCE BY THE OFFICE OF MANAGEMENT AND BUDGET.—Not later than 6 months after the date of enactment of the Workers' Compensation Reform Act of 2014, and in consultation with the Council of Inspectors General on Integrity and Efficiency, the Secretary of Health and Human Services, the Commissioner of Social Security, and the head of any other relevant agency, the Director of the Office of Management and Budget shall—

"(I) issue guidance for agencies regarding implementing this subparagraph, which shall include standards for reimbursement costs, when necessary, between agencies; and

"(II) establish standards and develop standard matching agreements for the purpose of improving the process for establishing data use or computer matching agreements.

"(2) COMPLIANCE.—The Secretary, the Postmaster General, and each Inspector General shall ensure that any information provided to an individual or entity under this section is provided in accordance with protocols established under paragraph (1).

"(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to affect the rights of an individual under section 552a(p).

"(f) REPORT.—Not later than 1 year after the date of enactment of this section, and annually thereafter for 5 years, the Secretary shall submit a report on the activities of the Secretary under this section, including implementation of the Integrity and Compliance Program, to—

"(1) the Committee on Homeland Security and Governmental Affairs of the Senate; and

"(2) the Committee on Oversight and Government Reform and the Committee on Education and the Workforce of the House of Representatives.

"(g) GAO REVIEW.—The Comptroller General of the United States shall—

"(1) conduct periodic reviews of the Integrity and Compliance Program; and

"(2) submit reports on the results of the reviews under paragraph (1) to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform and the Committee on Education and the Workforce of the House of Representatives not later than—

"(A) 2 years after the date of enactment of this section; and

"(B) 3 years after submission of the report under subparagraph (A).".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 81 is amended by inserting after the item relating to section 8152 the following:

"8153. Integrity and Compliance Program.".

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 513. AMOUNT OF COMPENSATION.

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

(1) by striking "not to exceed $3,500" and inserting "in proportion to the severity of the disfigurement, not to exceed $50,000,"; and

(2) by adding at the end the following: "The maximum amount of compensation under this paragraph shall be increased on March 1 of each year by the amount determined by the Secretary of Labor to represent the percent change in the price index published for December of the preceding year over the price index published for the December of the year prior to the preceding year, adjusted to the nearest one-tenth of 1 percent.".

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

(1) by striking "$800" and inserting "$6,000"; and

(2) by adding at the end the following: "The maximum amount of compensation under this subsection shall be increased on March 1 of each year by the amount determined by the Secretary of Labor to represent the percent change in the price index published for December of the preceding year over the price index published for the December of the year prior to the preceding year, adjusted to the nearest one-tenth of 1 percent.".

(c) APPLICATION.—The amendments made by this section shall apply to injuries or deaths, respectively, occurring on or after the date of enactment of this Act.

SEC. 514. TERRORISM INJURIES; ZONES OF ARMED CONFLICT.

(a) COVERING TERRORISM INJURIES.—Section 8102(b) is amended in the matter preceding paragraph (1)—

(1) by inserting "or from an attack by a terrorist or terrorist organization, either known or unknown," after "force or individual,"; and

(2) by striking "outside" and all that follows through "1979)" and inserting "outside of the United States".

(b) CONTINUATION OF PAY IN A ZONE OF ARMED CONFLICT.—Section 8118, as amended by section 508(b) of this Act, is amended—

(1) in subsection (b), by striking "Continuation" and inserting "Except as provided under subsection (d)(2), continuation";

(2) in subsection (c), as redesignated by section 508(b)(4) of this Act, by striking "subsection (a)" and inserting "subsection (a) or (d)"; and

(3) inserting before subsection (e) the following:

"(d) CONTINUATION OF PAY IN A ZONE OF ARMED CONFLICT.—

"(1) IN GENERAL.—Notwithstanding subsection (a), the United States shall authorize the continuation

of pay of an employee described in subparagraph (A), (C), (D), or (F) of section 8101(1), who—

"(A) files a claim for a period of wage loss due to an injury in performance of duty in a zone of armed conflict (as determined by the Secretary of Labor under paragraph (3)); and

"(B) files the claim for such wage loss benefit with the immediate superior of the employee not later than 45 days after the later of—

"(i) the termination of the assignment of the employee to the zone of armed conflict; or

"(ii) the return of the employee to the United States.

"(2) CONTINUATION OF PAY.—Notwithstanding subsection (b), continuation of pay under this subsection shall be furnished for a period not to exceed 135 days without any break in time or waiting period, unless controverted under regulations prescribed by the Secretary of Labor.

"(3) DETERMINATION OF ZONES OF ARMED CONFLICT.—For purposes of this subsection, the Secretary of Labor, in consultation with the Secretary of State and the Secretary of Defense, shall determine whether a foreign country or other foreign geographic area

outside of the United States (as defined in section 202(a)(7) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4302(a)(7)) is a zone of armed conflict based on whether—

"(A) the Armed Forces of the United States are involved in hostilities in the country or area;

"(B) the incidence of civil insurrection, civil war, terrorism, or wartime conditions threatens physical harm or imminent danger to the health or well-being of United States civilian employees in the country or area;

"(C) the country or area has been designated a combat zone by the President under section 112(c) of the Internal Revenue Code of 1986;

"(D) a contingency operation involving combat operations directly affects civilian employees in the country or area; or

"(E) there exist other relevant conditions and factors.".

SEC. 515. TECHNICAL AND CONFORMING AMENDMENTS.

Chapter 81 is amended—

(1) in section 8101(1)(D), by inserting "for an injury that occurred before the effective date of section 204(e) of the District of Columbia Self-Government

and Governmental Reorganization Act (Public Law 93–198; 87 Stat. 783; 5 U.S.C. 8101 note)" before the semicolon;

(2) in section 8139, by inserting "under this subchapter" after "Compensation awarded"; and

(3) in section 8148(a), by striking "section 8106" and inserting "section 8106a".

SEC. 516. REGULATIONS.

(a) IN GENERAL.—As soon as possible after the date of enactment of this Act, the Secretary of Labor shall promulgate regulations (which may include interim final regulations) to carry out this title.

(b) CONTENTS.—The regulations promulgated under subsection (a) shall include, for purposes of the amendments made by sections 502 and 503, clarification of—

(1) what is a claim; and

(2) what is the date on which a period of disability, for which a claim is made, commences.

SEC. 517. EFFECTIVE DATE.

Except as otherwise provided in this title, this title and the amendments made by this title shall take effect 60 days after the date of enactment of this Act.

TITLE VI—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF REAL PROPERTY

SEC. 601. SHORT TITLE.

This title may be cited as the "Federal Real Property Asset Management Reform Act of 2014".

SEC. 602. PURPOSE.

The purpose of this title is to increase the efficiency and effectiveness of the Federal Government in managing real property by—

(1) requiring agencies to maintain an up-to-date inventory of real property;

(2) establishing a Federal Real Property Council to develop guidance on and ensure the implementation of strategies for better managing Federal real property; and

(3) authorizing a pilot program to expedite the disposal of surplus real property.

SEC. 603. PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF REAL PROPERTY.

Chapter 5 of subtitle I of title 40, United States Code, is amended by adding at the end the following:

"SUBCHAPTER VII—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF REAL PROPERTY

"§ 621. Definitions

"In this subchapter:

"(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of General Services.

"(2) COUNCIL.—The term 'Council' means the Federal Real Property Council established by section 624(a).

"(3) DIRECTOR.—The term 'Director' means the Director of the Office of Management and Budget.

"(4) DISPOSAL.—The term 'disposal' means any action that constitutes the removal of any real property from the Federal inventory, including sale, deed, demolition, or exchange.

"(5) EXCESS PROPERTY.—The term 'excess property' means any real property under the control of a Federal agency that the head of the Federal agency determines is not required to meet the needs or responsibilities of the Federal agency.

"(6) FEDERAL AGENCY.—The term 'Federal agency' means—

"(A) an executive department or independent establishment in the executive branch of the Government; or

"(B) a wholly owned Government corporation.

"(7) FIELD OFFICE.—The term 'field office' means any office of a Federal agency that is not the headquarters office location for the Federal agency.

"(8) POSTAL PROPERTY.—The term 'postal property' means any building owned by the United States Postal Service.

"(9) SURPLUS PROPERTY.—

"(A) IN GENERAL.—The term 'surplus property' means excess real property that is not required to meet the needs or responsibilities of any Federal agency.

"(B) EXCLUSIONS.—The term 'surplus property' does not include—

"(i) any military installation (as defined in section 2910 of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note; Public Law 101–510));

"(ii) any property that is excepted from the definition of the term 'property' under section 102;

"(iii) Indian and native Eskimo property held in trust by the Federal Govern-

ment as described in section 3301(a)(5)(C)(iii);

"(iv) real property operated and maintained by the Tennessee Valley Authority pursuant to the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831 et seq.);

"(v) any real property the Director excludes for reasons of national security;

"(vi) any public lands (as defined in section 203 of the Public Lands Corps Act of 1993 (16 U.S.C. 1722)) administered by—

"(I) the Secretary of the Interior, acting through—

"(aa) the Director of the Bureau of Land Management;

"(bb) the Director of the National Park Service;

"(cc) the Commissioner of Reclamation; or

"(dd) the Director of the United States Fish and Wildlife Service; or

"(II) the Secretary of Agriculture, acting through the Chief of the Forest Service; or

"(vii) any property operated and maintained by the United States Postal Service.

"(10) UNDERUTILIZED PROPERTY.—The term 'underutilized property' means a portion or the entirety of any real property, including any improvements, that is used—

"(A) irregularly or intermittently by the accountable Federal agency for program purposes of the Federal agency; or

"(B) for program purposes that can be satisfied with only a portion of the property.

"§ 622. Duties of Federal agencies

"Each Federal agency shall—

"(1) maintain adequate inventory controls and accountability systems for real property under the control of the Federal agency;

"(2) develop current and future workforce projections so as to have the capacity to assess the needs of the Federal workforce regarding the use of real property;

"(3) continuously survey real property under the control of the Federal agency to identify excess property, underutilized property, and other real property suitable to be used for—

"(A) colocation with other Federal agencies; or

"(B) consolidation with other facilities;

"(4) promptly report excess property and underutilized property to the Administrator;

"(5) establish goals that will lead the Federal agency to reduce excess property and underutilized property in the inventory of the Federal agency;

"(6) submit to the Council a report on all excess property and underutilized property in the inventory of the Federal agency, including—

"(A) whether underutilized property can be better utilized; and

"(B) the extent to which the Federal agency believes that the underutilized property serves the needs of the Federal agency to retain underutilized property;

"(7) adopt workplace practices, configurations, and management techniques that can achieve increased levels of productivity and decrease the need for real property assets;

"(8) assess leased space to identify space that is not fully used or occupied;

"(9) on an annual basis and subject to the guidance of the Council—

"(A) conduct an inventory of real property under control of the Federal agency; and

"(B) make an assessment of each real property, which shall include—

"(i) the age and condition of the property;

"(ii) the size of the property in square footage and acreage;

"(iii) the geographical location of the property, including an address and description;

"(iv) the extent to which the property is being utilized;

"(v) the actual annual operating costs associated with the property;

"(vi) the total cost of capital expenditures associated with the property;

"(vii) sustainability metrics associated with the property;

"(viii) the number of Federal employees and functions housed at the property;

"(ix) the extent to which the mission of the Federal agency is dependent on the property;

"(x) the estimated amount of capital expenditures projected to maintain and operate the property over each of the next 5 years after the date of enactment of this subchapter; and

"(xi) any additional information required by the Administrator to carry out section 625; and

"(10) provide to the Council and the Administrator the information described in paragraph (9)(B) to be used for the establishment and maintenance of the database described in section 625.

"§ 623. Colocation among United States Postal Service properties

"(a) IDENTIFICATION OF POSTAL PROPERTY.—Each year, the Postmaster General may—

"(1) identify a list of postal properties with space available for use by Federal agencies; and

"(2) submit the list to the Council.

"(b) SUBMISSION OF LIST OF POSTAL PROPERTIES TO FEDERAL AGENCIES.—

"(1) IN GENERAL.—Not later than 30 days after the completion of a list under subsection (a), the Council shall provide the list to each Federal agency.

"(2) REVIEW BY FEDERAL AGENCIES.—Not later than 90 days after the receipt of the list submitted under paragraph (1), each Federal agency shall—

"(A) review the list;

"(B) identify real property assets under the control of the Federal agency; and

"(C) recommend colocations if appropriate.

"(c) TERMS OF COLOCATION.—On approval of the recommendations under subsection (b) by the Postmaster General and the applicable agency head, the Federal agency or appropriate landholding entity may work with the Postmaster General to establish appropriate terms of a lease for each postal property.

"§ 624. Establishment of a Federal Real Property Council

"(a) ESTABLISHMENT.—There is established a Federal Real Property Council.

"(b) PURPOSE.—The purpose of the Council shall be to—

"(1) develop guidance and ensure implementation of an efficient and effective real property management strategy;

"(2) identify opportunities for the Federal Government to better manage real property assets; and

"(3) reduce the costs of managing real property, including operations, maintenance, and security.

"(c) COMPOSITION.—

"(1) IN GENERAL.—The Council shall be composed exclusively of—

"(A) the senior real property officers of each Federal agency;

"(B) the Deputy Director for Management of the Office of Management and Budget;

"(C) the Controller of the Office of Management and Budget;

"(D) the Administrator; and

"(E) any other full-time or permanent part-time Federal officials or employees, as the Chairperson determines to be necessary.

"(2) CHAIRPERSON.—The Deputy Director for Management of the Office of Management and Budget shall serve as Chairperson of the Council.

"(3) EXECUTIVE DIRECTOR.—

"(A) IN GENERAL.—The Chairperson shall designate an Executive Director to assist in carrying out the duties of the Council.

"(B) QUALIFICATIONS; FULL-TIME.—The Executive Director shall—

"(i) be appointed from among individuals who have substantial experience in the areas of commercial real estate and development, real property management, and Federal operations and management; and

"(ii) serve full time.

"(d) MEETINGS.—

"(1) IN GENERAL.—The Council shall meet subject to the call of the Chairperson.

"(2) MINIMUM.—The Council shall meet not fewer than 4 times each year.

"(e) DUTIES.—The Council, in consultation with the Director and the Administrator, shall—

"(1) not later than 1 year after the date of enactment of this subchapter, establish a real property management plan template, to be updated annually, which shall include performance measures, specific milestones, measurable savings, strategies, and Government-wide goals based on the goals established under section 622(5) to reduce surplus property or to achieve better utilization of underutilized property, and evaluation criteria to determine the effectiveness of real property management that are designed to—

"(A) enable Congress and heads of Federal agencies to track progress in the achievement of real property management objectives on a Government-wide basis;

"(B) improve the management of real property; and

"(C) allow for comparison of the performance of Federal agencies against industry and other public sector agencies in terms of performance;

"(2) develop standard use rates consistent throughout each category of space and with nongovernmental space use rates;

"(3) develop a strategy to reduce the reliance of Federal agencies on leased space for long-term needs if ownership would be less costly;

"(4) provide guidance on eliminating inefficiencies in the Federal leasing process;

"(5) compile a list of real property assets that are field offices that are suitable for colocation with other real property assets; and

"(6) not later than 1 year after the date of enactment of this subchapter and annually during the 4-year period beginning on the date that is 1 year after the date of enactment of this subchapter and ending

on the date that is 5 years after the date of enactment of this subchapter, the Council shall submit to the Director a report that contains—

"(A) a list of the remaining excess, surplus, and underutilized properties of each Federal agency;

"(B) the progress of the Council toward developing guidance for Federal agencies to ensure that the assessment required under section 622(9)(B) is carried out in a uniform manner; and

"(C) the progress of Federal agencies toward achieving the goals established under section 622(5).

"(f) CONSULTATION.—In carrying out the duties described in subsection (e), the Council shall also consult with representatives of—

"(1) State, local, tribal authorities, and affected communities; and

"(2) appropriate private sector entities and nongovernmental organizations that have expertise in areas of—

"(A) commercial real estate and development;

"(B) government management and operations;

"(C) space planning;

"(D) community development, including transportation and planning; and

"(E) historic preservation.

"(g) COUNCIL RESOURCES.—The Director and the Administrator shall provide staffing, and administrative support for the Council, as appropriate.

"§ 625. Federal real property inventory and database

"(a) IN GENERAL.—Not later than 1 year after the date of enactment of this subchapter, the Administrator shall establish and maintain a single, comprehensive, and descriptive database of all real property under the custody and control of all Federal agencies.

"(b) CONTENTS.—The database shall include—

"(1) information provided to the Administrator under section 622(10); and

"(2) a list of real property disposals completed, including—

"(A) the date and disposal method used for each real property;

"(B) the proceeds obtained from the disposal of each real property;

"(C) the amount of time required to dispose of the real property, including the date on which the real property is designated as excess property;

"(D) the date on which the property is designated as surplus property and the date on which the property is disposed; and

"(E) all costs associated with the disposal.

"(c) ACCESSIBILITY.—

"(1) COMMITTEES.—The database established under subsection (a) shall be made available on request to the Committee on Homeland Security and Governmental Affairs and the Committee on Environment and Public Works of the Senate and the Committee on Oversight and Government Reform and the Committee on Transportation and Infrastructure of the House of Representatives.

"(2) GENERAL PUBLIC.—Not later than 3 years after the date of enactment of this subchapter and to the extent consistent with national security, the Administrator shall make the database established under subsection (a) accessible to the public at no cost through the website of the General Services Administration.

"§ 626. Limitation on certain leasing authorities

"(a) IN GENERAL.—Except as provided in subsection (b), not later than December 31 of each year following the date of enactment of this subchapter, a Federal agency with independent leasing authority shall submit to the Council a list of all leases, including operating leases, in effect on the date of enactment of this subchapter that includes—

"(1) the date on which each lease was executed;

"(2) the date on which each lease will expire;

"(3) a description of the size of the space;

"(4) the location of the property;

"(5) the tenant agency;

"(6) the total annual rental rate; and

"(7) the amount of the net present value of the total estimated legal obligations of the Federal Government over the life of the contract.

"(b) EXCEPTION.—Subsection (a) shall not apply to—

"(1) the United States Postal Service;

"(2) the Department of Veterans Affairs; or

"(3) any other property the President excludes from subsection (a) for reasons of national security.

"§ 627. Expedited disposal pilot program

"(a) ESTABLISHMENT.—The Director shall establish a pilot program for disposal of any surplus property by sale, transfer, or other means.

"(1) PROPERTIES FOR EXPEDITED DISPOSAL.—

"(A) IN GENERAL.—On an annual basis, the Director may authorize the expedited disposal of not more than 200 surplus properties.

"(B) PRIORITY.—In determining which properties to dispose of, the Director shall give priority to surplus properties that have the highest fair market value and the greatest potential for disposal.

"(C) COSTS ASSOCIATED WITH DISPOSAL.—

"(i) IN GENERAL.—The Administrator may obligate an amount to pay any direct and indirect costs under section 572 related to identifying and preparing properties to be reported as excess property by a Federal agency.

"(ii) REIMBURSEMENT.—An amount obligated under clause (i) shall be paid from the proceeds of any sale of real property under this subsection.

"(iii) NET PROCEEDS.—Net proceeds shall be distributed under subsection (b).

"(D) MAXIMUM NET PROCEEDS.—Any real property authorized for disposal by sale under subparagraph (A) shall be disposed of in a manner that, as determined by the Administrator in

consultation with the head of the applicable Federal agency, is structured and marketed to maximize the value to the Federal Government.

"(E) MONETARY PROCEEDS REQUIREMENT.—Surplus property may be disposed of under this section only if disposal of the property will generate monetary proceeds to the Federal Government that—

"(i) exceed the costs of disposal of the property; and

"(ii) are not less than 90 percent of fair market value.

"(F) LOCAL GOVERNMENT NOTIFICATION.—

"(i) NOTIFICATION.—Not later than 30 days after the date on which the Director makes the authorization under subparagraph (A), the Director shall submit in writing to the appropriate local government unit in which the property is located a notification that includes a list of each applicable property authorized to be disposed of under subparagraph (A).

"(ii) REMOVAL FROM PILOT PROGRAM.—

"(I) IN GENERAL.—The Director, at the discretion of the Director, may remove a property for which notification has been provided under clause (i) from the pilot program established under subparagraph (A).

"(II) REPLACEMENT.—For each property removed from the pilot program under subclause (I), the Director may authorize the expedited disposal of 1 property not originally authorized under subparagraph (A).

"(2) APPLICABILITY OF CERTAIN LAW.—Any expedited disposal of real property conducted under this section shall not be subject to—

"(A) any section of An Act Authorizing the Transfer of Certain Real Property for Wildlife, or Other Purposes (16 U.S.C. 667b);

"(B) sections 107 and 317 of title 23;

"(C) sections 545(b)(8), 550, 553, 554, and 1304(b) of this title;

"(D) section 501 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11411);

"(E) section 47151 of title 49; or

"(F) section 13(d) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622(d)).

"(3) EFFECT.—Except as provided in paragraph (2), nothing in this subchapter terminates or in any way limits the authority of any Federal agency under any other provision of law to dispose of real property.

"(b) USE OF PROCEEDS.—

"(1) IN GENERAL.—Of the proceeds received from the disposal of any real property under this subchapter—

"(A) not less than 80 percent shall be returned to the general fund of the Treasury for debt reduction;

"(B) the lesser of 18 percent or the share of proceeds otherwise authorized to be retained under law shall be retained by the Federal agency that has custody and is accountable for the real property, subject to paragraph (2);

"(C) not greater than 2 percent shall be made available to carry out section 628, subject to annual appropriations; and

"(D) any remaining share of the proceeds shall be returned to the general fund of the Treasury for Federal budget deficit reduction.

"(2) LIMITATION ON USE OF PROCEEDS.—Any proceeds retained by Federal agencies under this section shall be—

"(A) deposited into the appropriate real property account of the Federal agency that had custody and accountability for the real property, with the funds expended only as authorized in annual appropriations Acts;

"(B) used—

"(i) by not later than 2 years after the date of disposal of the real property; and

"(ii) only for activities relating to Federal real property asset management and disposal; and

"(C) if not used by the date described in subparagraph (B)(i), shall be deposited in the Treasury and used for Federal budget deficit reduction.

"(c) PUBLIC BENEFIT.—

"(1) CONVEYANCE.—Except as provided in paragraph (2), if a real property authorized to be disposed of under subsection (a) has not been disposed of by the date that is 2 years after the date the property is listed for sale, the Director, in consultation with the Administrator and the Secretary of Housing and Urban

Development, may consider a request from the disposing Federal agency that the real property be conveyed to State and local governments or nonprofit organizations for various public purposes or uses as permitted by applicable law.

"(2) PREDOMINANT USE AND SIZE STANDARDS.—

"(A) IN GENERAL.—Any real property authorized to be disposed of under subsection (a) shall not be conveyed under paragraph (1) if—

"(i) the predominant use of the property is not for housing; and

"(ii)(I) the area of the property is not less than 25,000 square feet; or

"(II) the appraised fair market value of the property is greater than $1,000,000.

"(B) APPRAISED FAIR MARKET VALUE.—The appraised fair market value described in subparagraph (A)(ii)(II) shall be determined by the Federal agency with custody or control of the property, in consultation with the Administrator and standard appraisal practice.

"(d) ENFORCEMENT.—

"(1) INCREASE IN SIZE OF INVENTORY.—Except as provided in paragraph (2), if a Federal agency

fails to make available for public sale the real property authorized for disposal under subsection (a) by the date that is 18 months after the date on which the authorization is made, that Federal agency, except for specific exceptions promulgated by the Director, shall not increase the size of the civilian real property inventory, unless the square footage of the increase is offset, within an appropriate time as determined by the Director, through consolidation, colocation, or disposal of another building space from the inventory of that Federal agency.

"(2) EXCEPTION.—Paragraph (1) shall not apply to a Federal agency that acquires any real property not under the administrative jurisdiction of the Federal Government, by sale or lease, until the Director submits a certification to Congress of the disposal of all of those surplus properties.

"(e) TERMINATION OF AUTHORITY.—The authority provided by this section terminates on the date that is 5 years after the date of enactment of this subchapter.

"§ 628. Homeless assistance grants

"(a) DEFINITIONS.—In this section:

"(1) ELIGIBLE NONPROFIT ORGANIZATION.—The term 'eligible nonprofit organization' means a non-

profit organization that is a representative of the homeless.

"(2) HOMELESS.—The term 'homeless' has the meaning given the term in section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302), except that subsection (c) of that section shall not apply.

"(3) PERMANENT HOUSING.—The term 'permanent housing' has the meaning given the term in section 401 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360).

"(4) PRIVATE NONPROFIT ORGANIZATION.—The term 'private nonprofit organization' has the meaning given the term in section 401 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360).

"(5) REPRESENTATIVE OF THE HOMELESS.—The term 'representative of the homeless' has the meaning given the term in section 501(i) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11411(i)).

"(6) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

"(7) TRANSITIONAL HOUSING.—The term 'transitional housing' has the meaning given the term in section 401 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360).

"(b) GRANT AUTHORITY.—

"(1) IN GENERAL.—To the extent amounts are made available under section 627(b)(1)(C) for use under this section, the Secretary shall make grants to eligible private nonprofit organizations through the continuum of care program established under subtitle C of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11381 et seq.), to purchase real property suitable for use to assist the homeless in accordance with subsection (c).

"(2) TERMS AND CONDITIONS.—Except as otherwise provided in this section, a grant under this section shall be subject to the same terms and conditions as a grant under the continuum of care program established under subtitle C of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11381 et seq.).

"(c) USE OF PROPERTIES FOR HOUSING OR SHELTER FOR THE HOMELESS.—

"(1) ELIGIBLE USES.—An eligible private nonprofit organization that receives a grant under subsection (b) shall use the amounts received only to purchase or rehabilitate real property to provide permanent housing, transitional housing, or temporary shelter to the homeless.

"(2) TERM OF USE.—The Secretary may not make a grant under subsection (b) to an eligible private nonprofit organization unless the eligible private nonprofit organization provides to the Secretary such assurances as the Secretary determines necessary to ensure that any real property purchased or rehabilitated using amounts received under the grant is used only for the purposes described in paragraph (1) for a period of not less than 15 years.

"(d) PREFERENCE.—In awarding grants under subsection (b), the Secretary shall give preference to eligible private nonprofit organizations that operate within areas in which Federal real property is being sold under the disposal program authorized under section 627.

"(e) REGULATIONS.—The Secretary may promulgate such regulations as are necessary to carry out this section.".

SEC. 604. REPORT OF THE COMPTROLLER GENERAL.

(a) DRAFT.—Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a draft report on the expedited disposal pilot program established by the amendments made by section 3.

(b) FINAL.—Not later than 5 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a final report on the expe-

dited disposal pilot program established by the amendments made by section 3.

SEC. 605. TECHNICAL AND CONFORMING AMENDMENT.

The table of sections for chapter 5 of subtitle I of title 40, United States Code, is amended by inserting after the item relating to section 611 the following:

"SUBCHAPTER VII—PROPERTY MANAGEMENT AND EXPEDITED DISPOSAL OF REAL PROPERTY

"621. Definitions.
"622. Duties of Federal agencies.
"623. Colocation among United States Postal Service properties.
"624. Establishment of a Federal Real Property Council.
"625. Federal real property inventory and database.
"626. Limitation on certain leasing authorities.
"627. Expedited disposal pilot program.
"628. Homeless assistance grants.".

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A BILL

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

July 31, 2014

Reported with an amendment