

117TH CONGRESS
1ST SESSION

S. 1720

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

IN THE SENATE OF THE UNITED STATES

MAY 19, 2021

Mr. PETERS (for himself, Mr. PORTMAN, Mr. CARPER, Mr. BURR, Ms. HASSAN, Mr. TILLIS, Ms. SINEMA, Mrs. CAPITO, Ms. ROSEN, Mr. DAINES, Mr. PADILLA, Ms. COLLINS, Mr. WYDEN, Mr. SULLIVAN, Mr. MANCHIN, Mr. HAWLEY, Mr. SCHATZ, Mr. BLUNT, Mr. ROUNDS, and Ms. SMITH) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

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

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

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—POSTAL SERVICE FINANCIAL REFORMS

- Sec. 101. Postal Service Health Benefits Program.
- Sec. 102. USPS Fairness Act.
- Sec. 103. Nonpostal services.

TITLE II—POSTAL SERVICE OPERATIONAL REFORMS

- Sec. 201. Performance targets and transparency.
- Sec. 202. Integrated delivery network.
- Sec. 203. Review of Postal Service cost attribution guidelines.
- Sec. 204. Rural newspaper sustainability.
- Sec. 205. Funding of Postal Regulatory Commission.
- Sec. 206. Flats operations study and reform.
- Sec. 207. Reporting requirements.
- Sec. 208. Postal Service transportation selection policy revisions.
- Sec. 209. USPS Inspector General oversight of Postal Regulatory Commission.

1 **SEC. 2. DEFINITIONS.**

2 (a) COMMISSION.—In this Act, the term “Commis-

3 sion” means the Postal Regulatory Commission.

4 (b) TERMS DEFINED IN TITLE 39, UNITED STATES

5 CODE.—In this Act, the terms “competitive product”,

6 “market-dominant product”, and “Postal Service” have

7 the meanings given those terms in section 102 of title 39,

8 United States Code.

9 **TITLE I—POSTAL SERVICE**

10 **FINANCIAL REFORMS**

11 **SEC. 101. POSTAL SERVICE HEALTH BENEFITS PROGRAM.**

12 (a) ESTABLISHMENT.—

13 (1) IN GENERAL.—Chapter 89 of title 5, United

14 States Code, is amended by inserting after section

15 8903b the following:

16 **“§ 8903c. Postal Service Health Benefits Program**

17 “(a) DEFINITIONS.—In this section—

1 “(1) the term ‘covered Medicare individual’
2 means an individual who is entitled to benefits under
3 Medicare part A, but excluding an individual who is
4 eligible to enroll in Medicare part A under section
5 1818 or 1818A of the Social Security Act (42
6 U.S.C. 1395i–2, 1395i–2a);

7 “(2) the term ‘initial contract year’ means the
8 contract year beginning in January 2023;

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

13 “(4) the term ‘Medicare part A’ means part A
14 of title XVIII of the Social Security Act (42 U.S.C.
15 1395c et seq.);

16 “(5) the term ‘Medicare part B’ means part B
17 of title XVIII of the Social Security Act (42 U.S.C.
18 1395j et seq.);

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

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

23 “(8) the term ‘Postal Service annuitant’ means
24 an annuitant enrolled in a health benefits plan under

1 this chapter whose Government contribution is paid
2 pursuant to the requirements of section 8906(g)(2);

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

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

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

10 “(B) is a covered Medicare individual;

11 “(11) the term ‘Program’ means the Postal
12 Service Health Benefits Program established under
13 subsection (c);

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

16 “(13) the definitions set forth in section 8901
17 shall apply.

18 “(b) APPLICATION.—The requirements under this
19 section shall—

20 “(1) apply to the initial contract year and each
21 contract year thereafter; and

22 “(2) supersede any other provision of this chap-
23 ter inconsistent with those requirements, as deter-
24 mined by the Office.

1 “(c) ESTABLISHMENT OF THE POSTAL SERVICE
2 HEALTH BENEFITS PROGRAM.—

3 “(1) IN GENERAL.—

4 “(A) ESTABLISHMENT.—The Office shall
5 establish, within the Federal Employees Health
6 Benefits Program, the Postal Service Health
7 Benefits Program under which the Office con-
8 tracts with carriers to offer health benefits
9 plans as described under this section.

10 “(B) APPLICABILITY OF CHAPTER RE-
11 QUIREMENTS TO CONTRACTS.—Except as other-
12 wise provided in this section, any contract de-
13 scribed in subparagraph (A) shall be consistent
14 with the requirements of this chapter for con-
15 tracts under section 8902 with carriers to offer
16 health benefits plans other than under this sec-
17 tion.

18 “(C) PROGRAM PLANS AND PARTICIPA-
19 TION.—The Program shall—

20 “(i) to the greatest extent practicable,
21 include plans offered by—

22 “(I) each carrier for which the
23 total enrollment in the plans provided
24 under this chapter includes, in the
25 contract year beginning in January

1 2022, 1,500 or more enrollees who are
 2 Postal Service employees or Postal
 3 Service annuitants; and

4 “(II) any other carrier deter-
 5 mined appropriate by the Office;

6 “(ii) be available for participation by
 7 Postal Service employees and Postal Serv-
 8 ice annuitants, in accordance with sub-
 9 section (d);

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

13 “(iv) not be available for participation
 14 by an individual who is not a Postal Serv-
 15 ice employee or Postal Service annuitant
 16 (except as a member of family of such an
 17 employee or annuitant or as provided
 18 under paragraph (5)).

19 “(2) SEPARATE POSTAL SERVICE RISK POOL.—
 20 The Office shall ensure that each Program plan in-
 21 cludes rates that reasonably and equitably reflect the
 22 cost of benefits provided to a risk pool consisting
 23 solely of Postal Service employees, Postal Service an-
 24 nuitants, and covered members of family of such em-
 25 ployees and annuitants (regardless of the health

1 plan, coverage, or benefit program in which such an
 2 employee, annuitant, or member of family is en-
 3 rolled), taking into specific account the change in
 4 benefits cost for the Program plan due to the Medi-
 5 care enrollment requirements under subsection (e)
 6 and any savings or subsidies resulting from sub-
 7 section (f).

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

17 “(4) APPLICABILITY OF FEDERAL EMPLOYEES
 18 HEALTH BENEFITS PROGRAM REQUIREMENTS.—Ex-
 19 cept as otherwise set forth in this section, all provi-
 20 sions of this chapter applicable to health benefits
 21 plans offered by carriers under section 8903 or
 22 8903a shall apply to plans offered under the Pro-
 23 gram.

24 “(5) APPLICATION OF CONTINUATION COV-
 25 ERAGE.—In accordance with rules established by the

1 Office, section 8905a shall apply to health benefits
 2 plans offered under this section in the same manner
 3 as that section applies to other health benefits plans
 4 offered under this chapter.

5 “(d) ELECTION OF COVERAGE.—

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

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

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

15 “(2) EXCEPTIONS.—

16 “(A) LACK OF GEOGRAPHIC COVERAGE.—

17 An individual who is a Postal Service employee
 18 or Postal Service annuitant may enroll in a
 19 health benefits plan offered under any other
 20 section of this chapter if the individual resides
 21 in a geographic area for which there is not a
 22 Program plan in which the individual may en-
 23 roll.

24 “(B) ANNUITANTS AS OF PROGRAM INCEP-
 25 TION.—

1 “(i) CURRENT MEDICARE COVERED
2 ANNUITANTS.—

3 “(I) IN GENERAL.—Subject to
4 subclause (II), in the case of an indi-
5 vidual who, as of January 1, 2023, is
6 a Postal Service Medicare covered an-
7 nuitant who has not enrolled in both
8 Medicare part A and Medicare part B,
9 the individual—

10 “(aa) may enroll in a health
11 benefits plan offered under any
12 other section of this chapter; and

13 “(bb) may not enroll in a
14 Program plan.

15 “(II) PROGRAM PLAN ENROLL-
16 MENT FOLLOWING MEDICARE PARTS A
17 AND B ENROLLMENT.—In the case of
18 an individual described in subclause
19 (I) who after January 1, 2023, is en-
20 rolled in both Medicare part A and
21 Medicare part B, beginning with the
22 first contract year beginning after the
23 date as of which the individual is en-
24 rolled in both Medicare part A and
25 Medicare part B—

1 “(aa) subclause (I) shall no
2 longer apply to the individual;
3 and

4 “(bb) the individual may re-
5 ceive health benefits under this
6 chapter only through a Program
7 plan.

8 “(ii) PRE-MEDICARE ANNUITANTS.—

9 “(I) IN GENERAL.—Subject to
10 subclause (II), an individual who, as
11 of January 1, 2023, is a Postal Serv-
12 ice annuitant and is not a Postal
13 Service Medicare annuitant (for a rea-
14 son other than eligibility to enroll in
15 Medicare part A under section 1818
16 or 1818A of the Social Security Act
17 (42 U.S.C. 1395i–2, 1395i–2a)) may
18 enroll in—

19 “(aa) a Program plan; or

20 “(bb) a health benefits plan
21 offered under any other section
22 of this chapter.

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

1 any contract year beginning on or
 2 after the date on which the individual
 3 becomes a Postal Service Medicare
 4 covered annuitant, beginning with
 5 that contract year—

6 “(aa) subclause (I) shall no
 7 longer apply to the individual;
 8 and

9 “(bb) the individual may re-
 10 ceive health benefits under this
 11 chapter only through enrollment
 12 in a Program plan.

13 “(C) CERTAIN EMPLOYEES AS OF PRO-
 14 GRAM INCEPTION.—

15 “(i) LEGACY COVERAGE.—A Postal
 16 Service employee who is enrolled in a
 17 health benefits plan under this chapter for
 18 the contract year immediately preceding
 19 the initial contract year that is not a
 20 health benefits plan offered by an initial
 21 participating carrier may enroll in a Pro-
 22 gram plan or a health benefits plan offered
 23 under any other section of this chapter, ex-
 24 cept that—

1 “(I) if the Postal Service em-
2 ployee changes enrollment to a dif-
3 ferent health benefits plan under this
4 chapter during the open season for
5 the initial contract year, or after the
6 start of the initial contract year, the
7 Postal Service employee may only en-
8 roll in a Program plan;

9 “(II) if the health benefits plan
10 in which the employee is enrolled for
11 the contract year becomes available as
12 a Program plan, the Postal Service
13 employee may only enroll in a Pro-
14 gram plan; and

15 “(III) upon becoming a Postal
16 Service annuitant, if the Postal Serv-
17 ice employee elects to continue cov-
18 erage under this chapter, the Postal
19 Service employee shall enroll in a Pro-
20 gram plan during the open season
21 that is—

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

1 “(bb) if the date on which
2 the Postal Service employee be-
3 comes a Postal Service annuitant
4 falls outside of an open season,
5 the first open season following
6 that date.

7 “(ii) CURRENT EMPLOYEES AGED 64
8 AND OVER.—

9 “(I) IN GENERAL.—Subject to
10 subclause (II), an individual who, as
11 of January 1, 2023, is a Postal Serv-
12 ice employee and is not less than 64
13 years of age may enroll in—

14 “(aa) a Program plan; or

15 “(bb) a health benefits plan
16 offered under any other section
17 of this chapter.

18 “(II) EXCEPTION.—In the case
19 of an individual described in subclause
20 (I) who enrolls in a Program plan for
21 any contract year beginning on or
22 after the date on which the individual
23 becomes a Postal Service Medicare
24 covered annuitant, beginning with
25 that contract year—

1 “(aa) subclause (I) shall no
 2 longer apply to the individual;
 3 and

4 “(bb) the individual may re-
 5 ceive health benefits under this
 6 chapter only through enrollment
 7 in a Program plan.

8 “(D) CERTAIN OTHER ANNUITANTS.—

9 “(i) ANNUITANTS AND FAMILY MEM-
 10 BERS EXCLUDED FROM PREMIUM-FREE
 11 MEDICARE PART A.—

12 “(I) IN GENERAL.—Subject to
 13 subclause (II), a Postal Service annu-
 14 itant who is eligible to enroll in Medi-
 15 care Part A under section 1818 or
 16 1818A of the Social Security Act (42
 17 U.S.C. 1395i–2, 1395i–2a) may enroll
 18 in a Program plan or a health benefits
 19 plan offered under any other section
 20 of this chapter if the annuitant—

21 “(aa) is eligible to enroll in
 22 Medicare part A under such sec-
 23 tion 1818 or 1818A; or

24 “(bb) includes in the annu-
 25 itant’s plan enrollment 1 or more

1 family members who are eligible
 2 to enroll in Medicare part A
 3 under such section 1818 or
 4 1818A.

5 “(II) EXCEPTION.—In the case
 6 of an annuitant described in subclause
 7 (I) who enrolls in a Program plan for
 8 any contract year beginning on or
 9 after the date on which the annuitant
 10 or any member of family covered by
 11 the enrollment becomes eligible to en-
 12 roll in Medicare part A, beginning
 13 with that contract year—

14 “(aa) subclause (I) shall no
 15 longer apply to the annuitant;
 16 and

17 “(bb) the annuitant may re-
 18 ceive health benefits under this
 19 chapter only through enrollment
 20 in a Program plan.

21 “(ii) LIMITED OR REDUNDANT COV-
 22 ERAGE.—An individual who is a Postal
 23 Service annuitant may enroll in a Program
 24 plan (subject to subsection (e) of this sec-
 25 tion and to sections 226(j) and 1837(o)(2)

1 of the Social Security Act) or a health ben-
2 efits plan offered under any other section
3 of this chapter for any contract year in
4 which the annuitant or a member of family
5 covered by the enrollment, respectively, is a
6 covered Medicare individual and—

7 “(I) the annuitant or family
8 member, respectively, resides in an
9 area where the Office has determined
10 that no Medicare providers are avail-
11 able;

12 “(II) the annuitant receives com-
13 prehensive medical coverage provided
14 by the Department of Veterans Af-
15 fairs under subchapter II of chapter
16 17 of title 38, United States Code; or

17 “(III) the annuitant receives
18 comprehensive medical coverage pro-
19 vided by the Indian Health Service
20 under the Indian Health Care Im-
21 provement Act (25 U.S.C. 1601 et
22 seq.).

23 “(iii) REGULATIONS.—Not later than
24 90 days after the date of enactment of this
25 section, the Office shall, in consultation

1 with the Secretary of Health and Human
2 Services, the Secretary of Veterans Affairs,
3 and the Postmaster General, promulgate
4 any regulations necessary to implement
5 this subparagraph.

6 “(e) REQUIREMENT OF MEDICARE ENROLLMENT
7 FOR CERTAIN ANNUITANTS AND THEIR FAMILY MEM-
8 BERS.—

9 “(1) ANNUITANTS.—Except as provided under
10 subsection (d)(2), a Postal Service Medicare covered
11 annuitant may not enroll in a Program plan unless
12 the annuitant is enrolled in both Medicare part A
13 and Medicare part B.

14 “(2) MEDICARE COVERED FAMILY MEMBERS.—
15 In the case of a Postal Service annuitant who is re-
16 quired under paragraph (1) to enroll in Medicare
17 part A and Medicare part B in order to be able to
18 enroll in a Program plan, if a member of family of
19 the Postal Service annuitant is a covered Medicare
20 individual or is eligible to enroll in Medicare Part A
21 under section 1818 or 1818A of the Social Security
22 Act (42 U.S.C. 1395i–2, 1395i–2a), that member of
23 family may not enroll in a Program plan as a mem-
24 ber of family of the Postal Service annuitant unless

1 that member of family is enrolled in both Medicare
2 part A and Medicare part B.

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

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

9 “(i) are informed, prior to enrollment
10 under this section, of those requirements;
11 and

12 “(ii) receive requests for any addi-
13 tional information necessary for enrollment
14 in writing; and

15 “(B) the Office provides the Secretary of
16 Health and Human Services and the Commis-
17 sioner of Social Security in a timely manner
18 with any information with respect to those an-
19 nuityants and members of family and that elec-
20 tion that may be required to effect their enroll-
21 ment and coverage under Medicare part A,
22 Medicare part B, and this section in a timely
23 manner, including to effect deemed enrollments,
24 if applicable under sections 226(j) and 1837(o)
25 of the Social Security Act, for such continuous

1 period as such annuitant or member of family
 2 involved otherwise maintains eligibility for en-
 3 rollment under Medicare part A and Medicare
 4 part B, to have elected to be enrolled under
 5 such part (in accordance with such sections) in
 6 connection with the enrollment in a Program
 7 plan under this section.

8 “(f) MEDICARE COORDINATION.—

9 “(1) IN GENERAL.—The Office shall require
 10 each Program plan to provide benefits for covered
 11 Medicare individuals (and individuals eligible to en-
 12 roll in Medicare part A pursuant to section 1818 or
 13 1818A of the Social Security Act (42 U.S.C. 1395i–
 14 2, 1395i–2a)) pursuant to the same coordination of
 15 benefits method used in connection with plans of-
 16 fered under any other section of this chapter.

17 “(2) MEDICARE PART D PRESCRIPTION DRUG
 18 BENEFITS.—The Office shall require each Program
 19 plan to provide prescription drug benefits to any
 20 Postal Service annuitant and member of family of
 21 such annuitant who is a part D eligible individual
 22 (as defined in section 1860D–1(a)(3)(A) of the So-
 23 cial Security Act (42 U.S.C. 1395w–101(a)(3)(A)))
 24 through employment-based retiree health coverage
 25 (as defined in section 1860D–22(c)(1) of that Act

1 (42 U.S.C. 1395w–132(c)(1))) through a prescrip-
 2 tion drug plan (as defined in section 1860D–
 3 41(a)(14) of that Act (42 U.S.C. 1395w–
 4 151(a)(14))).

5 “(g) POSTAL SERVICE CONTRIBUTION.—

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

10 “(2) WEIGHTED AVERAGE CALCULATION.—Not
 11 later than October 1 of each year (beginning with
 12 2022), the Office shall determine the weighted aver-
 13 age of the rates established pursuant to subsection
 14 (c)(2) for Program plans that will be in effect dur-
 15 ing the following contract year with respect to—

16 “(A) enrollments for self only;

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

18 “(C) enrollments for self and family.

19 “(3) WEIGHTING IN COMPUTING RATES FOR
 20 INITIAL CONTRACT YEAR.—In determining the
 21 weighted average of the rates for the initial contract
 22 year under paragraph (2), the Office shall take into
 23 account (for purposes of section 8906(a)(2)) the en-
 24 rollment of Postal Service employees and annuitants

1 in the health benefits plans offered by the initial
2 participating carriers as of March 31, 2022.

3 “(h) RESERVES.—

4 “(1) SEPARATE RESERVES.—

5 “(A) IN GENERAL.—The Office shall en-
6 sure that each Program plan maintains sepa-
7 rate reserves (including a separate contingency
8 reserve) with respect to the enrollees in the
9 Program plan in accordance with section 8909,
10 subject to subparagraph (B) of this paragraph.

11 “(B) APPLICABILITY OF SECTION 8909 TO
12 CONTINGENCY RESERVES.—Each provision of
13 section 8909 relating to contingency reserves
14 shall apply to contingency reserves of Program
15 plans in the same manner as to the contingency
16 reserves of other plans under this chapter, ex-
17 cept to the extent that the provision is incon-
18 sistent with the requirements of this subsection.

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

23 “(D) AMOUNTS TO BE CREDITED.—The
24 reserves (including the separate contingency re-
25 serve) maintained by each Program plan shall

1 be credited with a proportionate amount of the
 2 funds in the reserves for health benefits plans
 3 offered by the carrier.

4 “(2) DISCONTINUATION OF PROGRAM PLAN.—

5 In applying section 8909(e) relating to a Program
 6 plan that is discontinued, the Office shall credit the
 7 separate Postal Service contingency reserve main-
 8 tained under paragraph (1) for that plan only to the
 9 separate Postal Service contingency reserves of the
 10 Program plans continuing under this chapter.

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

15 “(j) HEALTH BENEFITS EDUCATION PROGRAM.—

16 “(1) ESTABLISHMENT.—Not later than 180
 17 days after the date of enactment of this section, the
 18 Postal Service shall establish a Health Benefits Edu-
 19 cation Program.

20 “(2) REQUIREMENTS.—Under the Health Ben-
 21 efits Education Program established under para-
 22 graph (1), the Postal Service shall—

23 “(A) notify annuitants and employees of
 24 the Postal Service about the Postal Service

1 Health Benefits Program established under
2 subsection (c)(1);

3 “(B) provide information regarding the
4 Postal Service Health Benefits Program to the
5 annuitants and employees described in subpara-
6 graph (A), including—

7 “(i) a description of the health care
8 options available under the Program;

9 “(ii) the enrollment provisions of sub-
10 section (d); and

11 “(iii) the requirement that annuitants
12 and their family members be enrolled in
13 Medicare under subsection (e); and

14 “(C) in coordination with the Centers for
15 Medicare & Medicaid Services and the Commis-
16 sioner of Social Security, respond and provide
17 answers to any inquiry from such employees
18 and annuitants about the Postal Service Health
19 Benefits Program or Medicare enrollment.

20 “(3) OPM INFORMATION.—The Office shall
21 timely provide the Postal Service with any informa-
22 tion that the Postal Service determines to be nec-
23 essary to conduct the Health Benefits Education
24 Program under this subsection.”.

1 (2) TECHNICAL AND CONFORMING AMEND-
2 MENTS.—

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

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

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

14 (b) COORDINATION WITH MEDICARE.—

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

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

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

20 “(i) a Postal Service employee;

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

23 “(iii) a member of family of a Postal Serv-
24 ice employee or of a Postal Service annuitant

1 and who is not described in section 1837(o)(1)
2 of this Act; and

3 “(B) enrolls in a Program plan under section
4 8903c of title 5, United States Code,
5 such individual is deemed to be enrolled under this part,
6 regardless of whether such individual has filed an applica-
7 tion under subparagraph (A) or (C) of subsection (a)(2).

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

10 “(A) in the case of an individual who is a Post-
11 al Service employee or a Postal Service annuitant
12 who is eligible to become a Postal Service Medicare
13 covered annuitant, the date on which the individual
14 becomes a Postal Service Medicare covered annu-
15 itant or the date of enrollment in a Program plan,
16 whichever is later;

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

22 “(C) in the case of an individual who is de-
23 scribed in paragraph (1)(A)(iii) and is eligible to be-
24 come a covered Medicare individual, as of the first
25 date the individual becomes a covered Medicare indi-

1 vidual or the date of enrollment in a Program plan,
2 whichever is later.

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

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

10 (2) MEDICARE PART B.—

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

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

16 “(A) as of January 1, 2023, is—

17 “(i) a Postal Service Medicare covered an-
18 nuitant; or

19 “(ii) a member of family of a Postal Serv-
20 ice employee or of a Postal Service annuitant
21 and is a covered Medicare individual;

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

25 “(C) is not enrolled under this part,

1 the individual may elect to be enrolled under this part dur-
 2 ing a special enrollment period during the 3-month period
 3 beginning on January 1, 2023.

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

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

6 “(i) a Postal Service employee;

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

9 “(iii) a member of family of a Postal Serv-
 10 ice employee or of a Postal Service annuitant
 11 and who is not described in paragraph (1); and

12 “(B) enrolls in a Program plan under section
 13 8903c of title 5, United States Code,

14 the individual shall be deemed to have enrolled in the med-
 15 ical insurance program established by this part.

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

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

23 (B) COVERAGE PERIODS.—Section 1838 of
 24 the Social Security Act (42 U.S.C. 1395q) is

1 amended by adding at the end the following
2 new subsection:

3 “(i) Notwithstanding subsection (a)—

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

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

14 “(A) in the case of such an individual who
15 is a Postal Service employee or a Postal Service
16 annuitant who is eligible to become a Postal
17 Service Medicare covered annuitant, the date on
18 which the individual becomes a Postal Service
19 Medicare covered annuitant or the date of en-
20 rollment in a Program plan, whichever is later;

21 “(B) in the case of such an individual who
22 is eligible to enroll under section 1818 or
23 1818A of this Act, the date on which the indi-
24 vidual attains such eligibility or the date of en-

rollment in a Program plan, whichever is later;
and

“(C) in the case of an individual described
in paragraph (2)(A)(iii) of section 1837(o) who
is eligible to become a covered Medicare indi-
vidual, as of the first date the individual be-
comes a covered Medicare individual or the date
of enrollment in a Program plan, whichever is
later.”.

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

(4) WAIVER OF INCREASE OF MEDICARE PART
B PREMIUM.—Section 1839(b) of the Social Security
Act (42 U.S.C. 1395r(b)) is amended by inserting
after “subsection (i)(4), (l), or (m) of section 1837”

1 the following: “or pursuant to the special enrollment
2 period under subsection (o)(1) of such section”.

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

4 (a) **SHORT TITLE.**—This section may be cited as the
5 “USPS Fairness Act”.

6 (b) **RATIONAL BENEFITS FUNDING AND ACCOUNT-**
7 **ING.**—

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

11 “(d)(1) Not later than June 30, 2024, and by June
12 30 of each succeeding year, the Office shall compute, for
13 the most recently concluded fiscal year, the difference be-
14 tween—

15 “(A) any Government contributions required to
16 be paid from the Fund under section 8906(g)(2)(A);
17 and

18 “(B) the net claims costs under the enrollment
19 of the individuals described in section
20 8906(g)(2)(A).

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

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

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

5 “(A) current annuitants of the United
6 States Postal Service as of the end of the fiscal
7 year ending on September 30 of the relevant re-
8 porting year; and

9 “(B) current employees of the United
10 States Postal Service who would, as of Sep-
11 tember 30 of that year—

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

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

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

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

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

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

6 “(1) the sum of—

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

14 “(B) an amount of indirect expenses rea-
 15 sonably allocable to the provision, payment, or
 16 reimbursement described in subparagraph (A),
 17 as determined by the Office; and

18 “(2) the amount withheld from the annuity of
 19 or paid by annuitants of the United States Postal
 20 Service under section 8906.”.

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

25 (c) APPLICATION.—

1 (1) CANCELLATION OF PAYMENTS.—Any pay-
 2 ment required from the Postal Service under section
 3 8909a of title 5, United States Code, as in effect on
 4 the day before the date of enactment of this Act that
 5 remains unpaid as of that date of enactment is can-
 6 celed.

7 (2) EFFECT OF THIS ACT.—In any determina-
 8 tion relating to the future liability for retiree health
 9 benefits of the Postal Service or the Postal Service
 10 Retiree Health Benefits Fund, the Office of Per-
 11 sonnel Management shall take into account the ac-
 12 tual and reasonably expected effects of this Act and
 13 the amendments made by this Act.

14 (d) USE OF FUNDS FROM SALE OF REAL PROPERTY
 15 FOR CERTAIN PAYMENTS.—

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

19 **“§ 2903. Use of funds from sale of property**

20 “(a) PAYMENT OF SALARIES AND EXPENSES.—If the
 21 Postal Service permanently ceases operations, any funds
 22 derived from the sale of any real property owned by the
 23 Postal Service shall be used to pay any outstanding liabil-
 24 ity with respect to the salaries and expenses of any Postal
 25 Service employee.

1 “(b) DEPOSIT INTO POSTAL SERVICE RETIREE
 2 HEALTH BENEFITS FUND.—The balance of any funds re-
 3 maining after compliance with subsection (a) shall be de-
 4 posited into the Postal Service Retiree Health Benefits
 5 Fund established under section 8909a of title 5.”.

6 (2) TECHNICAL AND CONFORMING AMEND-
 7 MENT.—The table of sections for chapter 29 of title
 8 39, United States Code, is amended by adding at
 9 the end the following:

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

10 **SEC. 103. NONPOSTAL SERVICES.**

11 (a) NONPOSTAL SERVICES.—

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

15 **“CHAPTER 37—NONPOSTAL SERVICES**

“Sec.

“3701. Purpose.

“3702. Definitions.

“3703. Postal Service program for State governments.

“3704. Postal Service program for other Government agencies.

“3705. Transparency and accountability for nonpostal services.

16 **“§ 3701. Purpose**

17 “The purpose of this chapter is to enable the Postal
 18 Service to increase its net revenues through specific non-
 19 postal products and services that are expressly authorized
 20 by this chapter. Postal Service revenues and expenses

1 under this chapter shall be funded through the Postal
2 Service Fund.

3 **“§ 3702. Definitions**

4 “In this chapter—

5 “(1) the term ‘nonpostal services’ is limited to
6 services offered by the Postal Service that are ex-
7 pressly authorized by this chapter and are not postal
8 products or services;

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

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

12 **“§ 3703. Postal Service program for State govern-
13 ments**

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

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

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

1 “(A) the cost and efficiency of postal serv-
2 ices; and

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

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

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

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

16 “(2) a business plan that describes the specific
17 service to be provided, the enhanced value to the
18 public, terms of reimbursement, the estimated an-
19 nual reimbursement to the Postal Service, and the
20 estimated percentage of attributable Postal Service
21 costs that will be covered by reimbursement (with
22 documentation to support the estimates).

23 “(c) PUBLIC COMMENT.—Before offering a service
24 under the program, the Postal Service shall provide for
25 a public comment period of at least 30 days that allows

1 the public to post comments relating to the provision of
2 such services on the Postal Service website. The Postal
3 Service shall make reasonable efforts to provide written
4 responses to the comments on such website at least 30
5 days before offering such services.

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

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

21 “(f) REGULATIONS REQUIRED.—The Postal Regu-
22 latory Commission shall issue such regulations as are nec-
23 essary to carry out this section.

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

1 “(1) the term ‘local government’ means a coun-
 2 ty, municipality, city, town, township, local public
 3 authority, school district, special district, intrastate
 4 district, council of governments, or regional or inter-
 5 state government entity;

6 “(2) the term ‘State government’ includes the
 7 government of the District of Columbia, the Com-
 8 monwealth of Puerto Rico, the United States Virgin
 9 Islands, Guam, American Samoa, the Common-
 10 wealth of the Northern Mariana Islands, and any
 11 other territory or possession of the United States;

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

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

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

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

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

4 **“§ 3704. Postal Service program for other Govern-**
5 **ment agencies**

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

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

23 **“§ 3705. Transparency and accountability for non-**
24 **postal services**

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

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

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

16 “(b) CONTENT AND FORM OF REPORT.—

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

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

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

4 “(C) protecting the confidentiality of infor-
5 mation that is commercially sensitive or is ex-
6 empt from public disclosure under section
7 552(b) of title 5.

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

13 “(A) the attribution of costs or revenues to
14 property or services under this chapter has be-
15 come significantly inaccurate or can be signifi-
16 cantly improved;

17 “(B) the quality of service data provided to
18 the Commission for a report under this chapter
19 has become significantly inaccurate or can be
20 significantly improved; or

21 “(C) such revisions are, in the judgment of
22 the Commission, otherwise necessitated by the
23 public interest.

24 “(c) AUDITS.—The Inspector General shall regularly
25 audit the data collection systems and procedures used in

1 collecting information and preparing the report required
2 under subsection (a). The results of any such audit shall
3 be submitted to the Postal Service and the Postal Regu-
4 latory Commission.

5 “(d) CONFIDENTIAL INFORMATION.—

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

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

25 “(e) ANNUAL COMPLIANCE DETERMINATION.—

1 “(1) OPPORTUNITY FOR PUBLIC COMMENT.—

2 Upon receiving a report required under subsection
3 (a), the Postal Regulatory Commission shall prompt-
4 ly—

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

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

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

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

14 “(4) DELIBERATE NONCOMPLIANCE.—In the
15 case of deliberate noncompliance by the Postal Serv-
16 ice with the requirements of this chapter, the Postal
17 Regulatory Commission may order, based on the na-
18 ture, circumstances, extent, and seriousness of the
19 noncompliance, a fine (in the amount specified by
20 the Commission in its order) for each incidence of
21 such noncompliance. All receipts from fines imposed
22 under this subsection shall be deposited in the gen-
23 eral fund of the Treasury.

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

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

“37. Nonpostal services 3701”.

8 (b) CONFORMING AMENDMENTS.—

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

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

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

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

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

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

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

5 (2) SECTION 411.—The last sentence of section
 6 411 of title 39, United States Code, is amended by
 7 striking “including reimbursability” and inserting
 8 “including reimbursability within the limitations of
 9 chapter 37”.

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

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

21 (A) by striking subsections (b), (d), and
 22 (e); and

23 (B) by redesignating—

24 (i) subsection (c) as subsection (b);

25 and

1 (ii) subsections (f), (g), (h), and (i) as
 2 subsections (c), (d), (e), and (f), respec-
 3 tively.

4 **TITLE II—POSTAL SERVICE** 5 **OPERATIONAL REFORMS**

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

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

10 **“§ 3692. Performance targets and transparency**

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

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

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

23 “(b) PUBLIC PERFORMANCE DASHBOARD.—

24 “(1) IN GENERAL.—The Postal Service shall
 25 develop and maintain a publicly available Website

1 with an interactive web tool that provides perform-
2 ance information for market-dominant products that
3 is updated on a weekly basis.

4 “(2) PERFORMANCE INFORMATION.—The per-
5 formance information provided on the Website shall
6 include—

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

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

10 “(C) time periods showing performance in-
11 formation in annual, quarterly, monthly, and
12 weekly segments;

13 “(D) comparisons of performance informa-
14 tion for market-dominant products for previous
15 time periods to facilitate identification of per-
16 formance trends; and

17 “(E) the current performance targets and
18 previous fiscal year performance targets, estab-
19 lished under subsection (a)(1).

20 “(3) COMPREHENSIBILITY.—The Website shall
21 include plain language descriptions of the elements
22 required under paragraph (2) and information on
23 the collection process, measurement methodology,
24 completeness, accuracy, and validity of the perform-
25 ance information provided on the Website.

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

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

7 “(A) in a manner that—

8 “(i) presents the information ref-
9 erenced under paragraph (2) on an inter-
10 active dashboard;

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

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

16 “(I) such performance informa-
17 tion; and

18 “(II) the results of a search by
19 the elements described in paragraph
20 (2);

21 “(B) in an open format that permits any
22 individual or entity to reuse and analyze the
23 performance information; and

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

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

5 “(7) PUBLIC INPUT.—The Postal Service
6 shall—

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

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

12 “(8) DEADLINE.—The Website shall be imple-
13 mented and made available to the public not later
14 than the date on which the performance targets are
15 provided to the Postal Regulatory Commission under
16 subsection (a)(1).

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

22 “(10) REPORTING.—The dashboard referred to
23 in paragraph (5)(A)(i) shall be referenced in the An-
24 nual Performance Plan under section 2803, the An-

1 nual Performance Report under section 2804, and
 2 the Annual Report under section 2402.

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

4 “(A) PERFORMANCE INFORMATION.—The
 5 term ‘performance information’ means the ob-
 6 jective external performance measurements es-
 7 tablished under section 3691(b)(1)(D).

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

10 **SEC. 202. INTEGRATED DELIVERY NETWORK.**

11 Section 101(b) of title 39, United States Code, is
 12 amended by inserting before “The Postal Service” the fol-
 13 lowing: “The Postal Service shall maintain an integrated
 14 network for the delivery of market-dominant and competi-
 15 tive products (as defined in chapter 36 of this title). Deliv-
 16 ery shall occur at least six days a week, except during
 17 weeks that include a Federal holiday or in emergency situ-
 18 ations, such as natural disasters.”.

19 **SEC. 203. REVIEW OF POSTAL SERVICE COST ATTRIBUTION**
 20 **GUIDELINES.**

21 Not later than 1 year after the date of enactment
 22 of this Act, the Commission shall initiate a review of the
 23 regulations issued pursuant to sections 3633(a) and
 24 3652(a)(1) of title 39, United States Code, to determine
 25 whether revisions are appropriate to ensure that all direct

1 and indirect costs attributable to competitive and market-
2 dominant products are properly attributed to those prod-
3 ucts, including by considering the underlying methodolo-
4 gies in determining cost attribution and considering op-
5 tions to revise those methodologies. If the Commission de-
6 termines, after notice and opportunity for public comment,
7 that revisions are appropriate, the Commission shall make
8 modifications or adopt alternative methodologies as nec-
9 essary.

10 **SEC. 204. RURAL NEWSPAPER SUSTAINABILITY.**

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

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

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

18 “(d)(1)(A) Not later than September 1 of each fiscal
19 year (beginning with fiscal year 2022), the Postal Regu-
20 latory Commission shall submit to the Postal Service a
21 budget of the expenses of the Commission, including ex-
22 penses for facilities, supplies, compensation, and employee
23 benefits, for the following fiscal year.

1 “(B) Any budget submitted under subparagraph (A)
2 shall be deemed approved as submitted if the Governors
3 fail to adjust the budget in accordance with paragraph (2).

4 “(2)(A)(i) Not later than 30 days after receiving a
5 budget under paragraph (1), the Governors holding office,
6 by unanimous written decision, may adjust the total
7 amount of funding requested in the budget.

8 “(ii) Nothing in clause (i) may be construed to au-
9 thorize the Governors to adjust any activity proposed to
10 be funded by a budget described in that clause.

11 “(B)(i) If the Governors adjust a budget under sub-
12 paragraph (A), the Postal Regulatory Commission shall
13 adjust the suballocations within the budget to reflect the
14 total adjustment made by the Governors.

15 “(ii) A budget adjusted under subparagraph (A) shall
16 be deemed approved on the date on which the Commission
17 makes any adjustments required under clause (i) of this
18 subparagraph.

19 “(iii) The Commission may make further adjust-
20 ments to the suballocations within a budget, in addition
21 to the adjustments required under clause (i), as necessary.

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

1 (b) CONFORMING AMENDMENTS.—Chapter 20 of
 2 title 39, United States Code, is amended—

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

9 (2) in section 2009—

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

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

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

17 (a) FLATS OPERATIONS STUDY.—

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

23 (2) STUDY.—The Commission, in consultation
 24 with the Inspector General of the Postal Service,
 25 shall conduct a study to—

1 (A) comprehensively identify the causes of
2 inefficiencies in the collection, sorting, transpor-
3 tation, and delivery of Flats; and

4 (B) quantify the effects of the volume
5 trends, investment decisions, excess capacity,
6 and operational inefficiencies of the Postal
7 Service on the direct and indirect costs of the
8 Postal Service that are attributable to Flats.

9 (3) POSTAL SERVICE ASSISTANCE.—For the
10 purposes of carrying out the study under paragraph
11 (2), the Postal Service shall, upon request by the
12 Commission, consult with the Commission and pro-
13 vide—

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

16 (B) information and records necessary to
17 conduct the study.

18 (4) REPORT.—Not later than 1 year after the
19 date of enactment of this Act, the Commission shall
20 submit to Congress and the Postmaster General a
21 report on the findings of the study conducted under
22 paragraph (2).

23 (b) FLATS OPERATIONS REFORM.—

24 (1) IN GENERAL.—Not later than 180 days
25 after the date on which the Commission submits the

1 report under subsection (a)(4), the Postal Service
2 shall—

3 (A) develop and implement a plan to rem-
4 edy each inefficiency identified in the study con-
5 ducted under subsection (a)(2) to the extent
6 practicable; and

7 (B) if the Postal Service determines that
8 remedying an inefficiency described in subpara-
9 graph (A) is not practicable, provide to Con-
10 gress and the Commission an explanation for
11 why remedying the inefficiency is not prac-
12 ticable, including whether remedying the ineffi-
13 ciency may become practicable at a later time.

14 (2) IMPLEMENTATION REQUIREMENTS.—Prior
15 to implementing the plan described in paragraph
16 (1)—

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

19 (B) the Postal Service shall provide an
20 adequate opportunity for public comment on the
21 plan.

22 (3) COMPLETION NOTICE.—On the date on
23 which the plan required under paragraph (1) is fully
24 implemented, as determined by the Postmaster Gen-
25 eral, the Postmaster General shall submit to Con-

1 gress and the Commission a written notice of the
2 implementation.

3 (c) **SUBSEQUENT RATE ADJUSTMENTS.**—During the
4 5-year period beginning on the date on which the Post-
5 master General submits the notice under subsection
6 (b)(3), the Postal Service, when making any adjustment
7 to the rate of a market-dominant product (as defined in
8 section 102 of title 39, United States Code), shall consider
9 the findings of the report described in subsection (a)(4)
10 and the efficacy of the plan described in subsection (b)(1)
11 in remedying the inefficiencies identified in the study con-
12 ducted under subsection (a)(2).

13 **SEC. 207. REPORTING REQUIREMENTS.**

14 (a) **IN GENERAL.**—Not later than 180 days after the
15 date of enactment of this Act, and every 6 months there-
16 after, the Postmaster General shall submit to the Presi-
17 dent, the Commission, the Committee on Homeland Secu-
18 rity and Governmental Affairs of the Senate, and the
19 Committee on Oversight and Reform of the House of Rep-
20 resentatives a report on the operations and financial con-
21 dition of the Postal Service during the 6-month period
22 ending on the date on which the Postmaster General sub-
23 mits the report.

24 (b) **CONTENTS.**—Each report submitted under this
25 section shall include updates, details of changes from pre-

1 vious standards and requirements, and assessments of
2 progress being made on the operations and financial con-
3 dition of the Postal Service, including—

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

11 (2) the effect of pricing changes on product vol-
12 ume for market-dominant products and competitive
13 products, and associated revenue effects on financial
14 projections, including a discussion of the reasons for
15 the differences in projections and associated adjust-
16 ments being made;

17 (3) customer use of network distribution cen-
18 ters and processing and distribution centers, and as-
19 sociated costs and revenue effects;

20 (4) the status of, and any substantial pro-
21 grammatic changes to, the USPS Connect program
22 relative to previous plans by the Postal Service, in-
23 cluding online sales and customer expectations re-
24 garding shipping speeds and shopping preferences
25 relative to projections, as well as associated imple-

1 mentation costs and revenue effects on the financial
2 projections;

3 (5) the use of Priority Mail, Priority Mail Ex-
4 press, First-Class Package Service, and Parcel Se-
5 lect services (as those terms are defined in the Do-
6 mestic Mail Classification Schedule as in effect on
7 the date of enactment of this Act) among businesses
8 of various sizes, and associated revenue effects;

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

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

15 (8) updates on the reliability, efficiency, and
16 cost-effectiveness of the transportation network, in-
17 cluding the manner in which ground transportation
18 is utilized over air transportation for types of prod-
19 ucts;

20 (9) a review of efforts to enhance employee
21 training, safety, and wellbeing, including associated
22 effects on employee recruitment, satisfaction, and re-
23 tention;

24 (10) a review of efforts being made to improve
25 employee allocation, including changes of non-career

1 employees to career status, and any associated im-
2 pacts on operational expenses and processing, trans-
3 portation, and delivery efficiency;

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

10 (12) changes to network distribution centers
11 and the expansion of regional distribution centers,
12 including costs associated with the changes and any
13 realized reduction in operational expenses or im-
14 proved resource efficiencies;

15 (13) a review of the ability of the Postal Service
16 to meet performance targets established under sec-
17 tion 3692(a)(1) of title 39, United States Code, as
18 added by section 201 of this Act;

19 (14) a discussion of—

20 (A) the progress of the Postal Service in
21 achieving any new, self-funded investments, in-
22 cluding the amounts realized and expended to
23 date; and

24 (B) a discussion of the reasons for any dis-
25 parities in the assumptions regarding the ex-

pected progress of the Postal Service in achieving new, self-funded investments to accommodate changes; and

(15) any other information the Postal Service determines relevant, such as barriers or unanticipated events, in order to help the Commission, Congress, the President, and the people of the United States evaluate the success of or difficulties faced by the Postal Service in implementing the reform plan.

(c) CONFIDENTIAL INFORMATION.—

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

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

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

6 (4) TREATMENT.—No person may, with respect
 7 to any information that the person receives under
 8 paragraph (3)—

9 (A) use the information for purposes other
 10 than the purposes for which the information is
 11 supplied; or

12 (B) permit any person or entity other than
 13 a person or entity notified under paragraph (2),
 14 or the staff thereof, to have access to the infor-
 15 mation.

16 (d) TERMINATION.—This section shall terminate on
 17 the date that is 5 years after the date on which the first
 18 report required under this section is submitted.

19 **SEC. 208. POSTAL SERVICE TRANSPORTATION SELECTION**
 20 **POLICY REVISIONS.**

21 Section 101(f) of title 39, United States Code, is
 22 amended—

23 (1) by striking “prompt and economical” and
 24 inserting “prompt, economical, consistent, and reli-
 25 able”;

1 (2) by inserting after “all mail” the following:

2 “in a manner that increases operational efficiency
3 and reduces complexity”;

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

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

7 **SEC. 209. USPS INSPECTOR GENERAL OVERSIGHT OF POST-**
8 **AL REGULATORY COMMISSION.**

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

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

13 (2) in subsection (f)(2)—

14 (A) by striking “(2) In carrying” and in-
15 serting “(2)(A) In carrying”; and

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

17 “(B) In carrying out the duties and responsibilities
18 specified in this Act, the Inspector General shall function
19 as the Inspector General for the Postal Regulatory Com-
20 mission, and shall have equal responsibility over the Com-
21 mission and the United States Postal Service. The Com-
22 mission shall comply with the oversight of the Inspector
23 General as if the Commission were a designated Federal
24 entity under subsection (a)(2).”.

25 (b) SAVINGS PROVISION.—

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

9 (2) PROCEEDINGS.—This section and the
10 amendments made by this section shall not affect
11 any proceeding pending on the effective date of this
12 section before an office transferred by either such
13 subsection, but such proceeding shall be continued.
14 Nothing in this paragraph shall be considered to
15 prohibit the discontinuance or modification of any
16 such proceeding under the same terms and condi-
17 tions and to the same extent that such proceeding
18 could have been discontinued or modified if this sec-
19 tion or such amendments had not been enacted.

20 (3) SUITS.—This section and the amendments
21 made by this section shall not affect any suit com-
22 menced before the effective date of this section, and
23 in any such suit, proceeding shall be had, appeals
24 taken, and judgments rendered in the same manner

1 and with the same effect as if this section and those
2 amendments had not been enacted.

3 (4) REFERENCES.—Any reference in any other
4 Federal law, Executive order, rule, regulation, dele-
5 gation of authority, or document to the Inspector
6 General of the Postal Regulatory Commission shall
7 be deemed to refer to the Inspector General of the
8 Postal Service.

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

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

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