

117TH CONGRESS
1ST SESSION

S. _____

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

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 _____

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 “(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 nuitants 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
22 not a Postal Service Medicare covered an-
23 nuitant; or

24 “(iii) a member of family of a Postal
25 Service employee or of a Postal Service an-

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

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

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

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

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

23 “(C) in the case of an individual who is de-
24 scribed in paragraph (1)(A)(iii) and is eligible
25 to become a covered Medicare individual, as of

1 the first date the individual becomes a covered
2 Medicare individual or the date of enrollment in
3 a Program plan, whichever is later.

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

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

11 (2) MEDICARE PART B.—

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

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

17 “(A) as of January 1, 2023, is—

18 “(i) a Postal Service Medicare covered
19 annuitant; or

20 “(ii) a member of family of a Postal
21 Service employee or of a Postal Service an-
22 nuitant and is a covered Medicare indi-
23 vidual;

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

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

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

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

10 “(i) a Postal Service employee;

11 “(ii) a Postal Service annuitant who is
12 not a Postal Service Medicare covered an-
13 nuitant; or

14 “(iii) a member of family of a Postal
15 Service employee or of a Postal Service an-
16 nuitant and who is not described in para-
17 graph (1); and

18 “(B) enrolls in a Program plan under sec-
19 tion 8903c of title 5, United States Code,
20 the individual shall be deemed to have enrolled in
21 the medical insurance program established by this
22 part.

23 “(3) The definitions in section 8903c(a) of title
24 5, United States Code, shall apply for purposes of
25 this subsection.

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

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

9 “(i) Notwithstanding subsection (a)—

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

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

20 “(A) in the case of such an individual who
21 is a Postal Service employee or a Postal Service
22 annuitant who is eligible to become a Postal
23 Service Medicare covered annuitant, the date on
24 which the individual becomes a Postal Service

1 Medicare covered annuitant or the date of en-
2 rollment in a Program plan, whichever is later;

3 “(B) in the case of such an individual who
4 is eligible to enroll under section 1818 or
5 1818A of this Act, the date on which the indi-
6 vidual attains such eligibility or the date of en-
7 rollment in a Program plan, whichever is later;
8 and

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

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

1 tion, through contracts between such a Program
2 plan and such a prescription drug plan”.

3 (4) WAIVER OF INCREASE OF MEDICARE PART
4 B PREMIUM.—Section 1839(b) of the Social Security
5 Act (42 U.S.C. 1395r(b)) is amended by inserting
6 after “subsection (i)(4), (l), or (m) of section 1837”
7 the following: “or pursuant to the special enrollment
8 period under subsection (o)(1) of such section”.

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

10 (a) SHORT TITLE.—This section may be cited as the
11 “USPS Fairness Act”.

12 (b) RATIONAL BENEFITS FUNDING AND ACCOUNT-
13 ING.—

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

17 “(d)(1) Not later than June 30, 2024, and by June
18 30 of each succeeding year, the Office shall compute, for
19 the most recently concluded fiscal year, the difference be-
20 tween—

21 “(A) any Government contributions re-
22 quired to be paid from the Fund under section
23 8906(g)(2)(A); and

1 “(B) the net claims costs under the enroll-
2 ment of the individuals described in section
3 8906(g)(2)(A).

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

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

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

13 “(A) current annuitants of the United
14 States Postal Service as of the end of the fiscal
15 year ending on September 30 of the relevant re-
16 porting year; and

17 “(B) current employees of the United
18 States Postal Service who would, as of Sep-
19 tember 30 of that year—

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

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

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

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

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

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

13 “(1) the sum of—

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

21 “(B) an amount of indirect expenses rea-
22 sonably allocable to the provision, payment, or
23 reimbursement described in subparagraph (A),
24 as determined by the Office; and

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

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

8 (c) APPLICATION.—

9 (1) CANCELLATION OF PAYMENTS.—Any pay-
10 ment required from the Postal Service under section
11 8909a of title 5, United States Code, as in effect on
12 the day before the date of enactment of this Act that
13 remains unpaid as of that date of enactment is can-
14 celed.

15 (2) EFFECT OF THIS ACT.—In any determina-
16 tion relating to the future liability for retiree health
17 benefits of the Postal Service or the Postal Service
18 Retiree Health Benefits Fund, the Office of Per-
19 sonnel Management shall take into account the ac-
20 tual and reasonably expected effects of this Act and
21 the amendments made by this Act.

22 (d) USE OF FUNDS FROM SALE OF REAL PROPERTY
23 FOR CERTAIN PAYMENTS.—

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

4 **“§ 2903. Use of funds from sale of property**

5 “(a) PAYMENT OF SALARIES AND EXPENSES.—If the
6 Postal Service permanently ceases operations, any funds
7 derived from the sale of any real property owned by the
8 Postal Service shall be used to pay any outstanding liabil-
9 ity with respect to the salaries and expenses of any Postal
10 Service employee.

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

16 (2) TECHNICAL AND CONFORMING AMEND-
17 MENT.—The table of sections for chapter 29 of title
18 39, United States Code, is amended by adding at
19 the end the following:

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

20 **SEC. 103. NONPOSTAL SERVICES.**

21 (a) NONPOSTAL SERVICES.—

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

1 government, local government, or tribal government to
2 provide property and services on behalf of such agencies
3 for non-commercial products and services, but only if such
4 property and services—

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

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

10 “(A) the cost and efficiency of postal serv-
11 ices; and

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

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

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

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

1 “(2) a business plan that describes the specific
2 service to be provided, the enhanced value to the
3 public, terms of reimbursement, the estimated an-
4 nual reimbursement to the Postal Service, and the
5 estimated percentage of attributable Postal Service
6 costs that will be covered by reimbursement (with
7 documentation to support the estimates).

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

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

22 “(e) APPLICATION OF REPORTING REQUIRE-
23 MENTS.—For purposes of the reporting requirements
24 under section 3705, the Postal Service shall submit a sep-
25 arate report for each agreement with an agency entered

1 into under subsection (a) analyzing the costs, revenues,
2 rates, and quality of service for the provision of all services
3 under such agreement, including information dem-
4 onstrating that the agreement satisfies the requirements
5 of paragraphs (1) through (3) of subsection (a).

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

9 “(g) DEFINITIONS.—For the purpose of this sec-
10 tion—

11 “(1) the term ‘local government’ means a coun-
12 ty, municipality, city, town, township, local public
13 authority, school district, special district, intrastate
14 district, council of governments, or regional or inter-
15 state government entity;

16 “(2) the term ‘State government’ includes the
17 government of the District of Columbia, the Com-
18 monwealth of Puerto Rico, the United States Virgin
19 Islands, Guam, American Samoa, the Common-
20 wealth of the Northern Mariana Islands, and any
21 other territory or possession of the United States;

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

1 under section 3705, the Postal Service shall submit a sep-
2 arate report for each agreement with an agency entered
3 into under subsection (a) analyzing the costs, revenues,
4 rates, and quality of service for the provision of all services
5 under such agreement, including information dem-
6 onstrating that the agreement satisfies the requirements
7 of subsection (a).

8 **“§ 3705. Transparency and accountability for non-**
9 **postal services**

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

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

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

1 “(b) CONTENT AND FORM OF REPORT.—

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

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

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

12 “(C) protecting the confidentiality of infor-
13 mation that is commercially sensitive or is ex-
14 empt from public disclosure under section
15 552(b) of title 5.

16 “(2) REVISED REQUIREMENTS.—The Commis-
17 sion may, on its own motion or on request of any
18 interested party, initiate proceedings to improve the
19 quality, accuracy, or completeness of Postal Service
20 data required by the Commission if—

21 “(A) the attribution of costs or revenues to
22 property or services under this chapter has be-
23 come significantly inaccurate or can be signifi-
24 cantly improved;

1 “(B) the quality of service data provided to
2 the Commission for a report under this chapter
3 has become significantly inaccurate or can be
4 significantly improved; or

5 “(C) such revisions are, in the judgment of
6 the Commission, otherwise necessitated by the
7 public interest.

8 “(c) AUDITS.—The Inspector General shall regularly
9 audit the data collection systems and procedures used in
10 collecting information and preparing the report required
11 under subsection (a). The results of any such audit shall
12 be submitted to the Postal Service and the Postal Regu-
13 latory Commission.

14 “(d) CONFIDENTIAL INFORMATION.—

15 “(1) IN GENERAL.—If the Postal Service deter-
16 mines that any document or portion of a document,
17 or other matter, which it provides to the Postal Reg-
18 ulatory Commission in a nonpublic annex under this
19 section contains information described in section
20 410(c), or exempt from public disclosure under sec-
21 tion 552(b) of title 5, the Postal Service shall, at the
22 time of providing such matter to the Commission,
23 notify the Commission of its determination, in writ-
24 ing, and describe with particularity the documents

1 (or portions of documents) or other matter for which
2 confidentiality is sought and the reasons therefor.

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

10 “(e) ANNUAL COMPLIANCE DETERMINATION.—

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

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

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

19 “(2) DETERMINATION OF COMPLIANCE OR NON-
20 COMPLIANCE.—Not later than 90 days after receiv-
21 ing a report required under subsection (a), the Post-
22 al Regulatory Commission shall make a written de-
23 termination as to whether the nonpostal activities
24 carried out during the applicable year were or were
25 not in compliance with the provisions of this chapter.

1 For purposes of this paragraph, any case in which
2 the requirements for coverage of attributable costs
3 have not been met shall be considered to be a case
4 of noncompliance. If, with respect to a year, no in-
5 stance of noncompliance is found to have occurred,
6 the determination shall be to that effect. Such deter-
7 mination of noncompliance shall be included with the
8 annual compliance determination required under sec-
9 tion 3653.

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

23 “(4) DELIBERATE NONCOMPLIANCE.—In the
24 case of deliberate noncompliance by the Postal Serv-
25 ice with the requirements of this chapter, the Postal

1 Regulatory Commission may order, based on the na-
 2 ture, circumstances, extent, and seriousness of the
 3 noncompliance, a fine (in the amount specified by
 4 the Commission in its order) for each incidence of
 5 such noncompliance. All receipts from fines imposed
 6 under this subsection shall be deposited in the gen-
 7 eral fund of the Treasury.

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

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

“37. Nonpostal services 3701”.

15 (b) CONFORMING AMENDMENTS.—

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

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

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

23 “(6) Licensing which, before the date of enactment
 24 of this paragraph, has been authorized by the Postal Reg-

1 ulatory Commission for continuation as a nonpostal serv-
2 ice may not be used for any purpose other than—

3 “(A) to continue to provide licensed mailing,
4 shipping, or stationery supplies offered as of June
5 23, 2011; or

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

9 “(7) Nothing in this section shall be construed to pre-
10 vent the Postal Service from establishing nonpostal prod-
11 ucts and services that are expressly authorized by chapter
12 37.”.

13 (2) SECTION 411.—The last sentence of section
14 411 of title 39, United States Code, is amended by
15 striking “including reimbursability” and inserting
16 “including reimbursability within the limitations of
17 chapter 37”.

18 (3) TREATMENT OF EXISTING NONPOSTAL
19 SERVICES.—All individual nonpostal services, pro-
20 vided directly or through licensing, that are contin-
21 ued pursuant to section 404(e) of title 39, United
22 States Code, shall be considered to be expressly au-
23 thorized by chapter 37 of such title (as added by
24 subsection (a)(1)) and shall be subject to the re-
25 quirements of such chapter.

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

4 (A) by striking subsections (b), (d), and
5 (e); and

6 (B) by redesignating—

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

8 and

9 (ii) subsections (f), (g), (h), and (i) as
10 subsections (c), (d), (e), and (f), respec-
11 tively.

12 **TITLE II—POSTAL SERVICE**
13 **OPERATIONAL REFORMS**

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

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

18 **“§ 3692. Performance Targets and Transparency**

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

23 “(1) at least 60 days before the beginning of
24 the fiscal year in which they will apply, establish and

1 provide to the Postal Regulatory Commission rea-
2 sonable targets for performance; and

3 “(2) provide the previous fiscal years’ perform-
4 ance targets in its Annual Compliance Report to the
5 Postal Regulatory Commission for evaluation of
6 compliance.

7 “(b) PUBLIC PERFORMANCE DASHBOARD.—

8 “(1) IN GENERAL.—The Postal Service shall
9 develop and maintain a publicly available Website
10 with an interactive web-tool that provides perform-
11 ance information for market-dominant products that
12 is updated on a weekly basis.

13 “(2) PERFORMANCE INFORMATION.—The per-
14 formance information provided on the Website shall
15 include—

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

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

19 “(C) time periods showing performance in-
20 formation in annual, quarterly, monthly, and
21 weekly segments;

22 “(D) comparisons of performance informa-
23 tion for market-dominant products for previous
24 time periods to facilitate identification of per-
25 formance trends; and

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

4 “(3) COMPREHENSIBILITY.—The Website shall
5 include plain language descriptions of the elements
6 required under paragraph (2) and information on
7 the collection process, measurement methodology,
8 completeness, accuracy, and validity of the perform-
9 ance information provided on the Website.

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

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

16 “(A) in a manner that—

17 “(i) presents the information ref-
18 erenced under paragraph (2) on an inter-
19 active dashboard;

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

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

1 “(I) such performance informa-
2 tion; and

3 “(II) the results of a search by
4 the elements described in paragraph
5 (2);

6 “(B) in an open format that permits any
7 individual or entity to reuse and analyze the
8 performance information; and

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

11 “(6) CONSULTATION.—The Postal Service shall
12 regularly consult with the Postal Regulatory Com-
13 mission on appropriate features and information to
14 be included on the Website.

15 “(7) PUBLIC INPUT.—The Postal Service
16 shall—

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

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

22 “(8) DEADLINE.—The Website shall be imple-
23 mented and made available to the public not later
24 than the date on which the performance targets are

1 provided to the Postal Regulatory Commission under
2 subsection (a)(1).

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

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

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

14 “(A) PERFORMANCE INFORMATION.—The
15 term ‘performance information’ means the ob-
16 jective external performance measurements es-
17 tablished under section 3691(b)(1)(D).

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

20 **SEC. 202. INTEGRATED DELIVERY NETWORK.**

21 Section 101(b) of title 39, United States Code, is
22 amended by inserting before “The Postal Service” the fol-
23 lowing: “The Postal Service shall maintain an integrated
24 network for the delivery of market-dominant and competi-
25 tive products (as defined in chapter 36 of this title). Deliv-

1 ery shall occur at least six days a week, except during
2 weeks that include a Federal holiday or in emergency situ-
3 ations, such as natural disasters.”.

4 **SEC. 203. REVIEW OF POSTAL SERVICE COST ATTRIBUTION**
5 **GUIDELINES.**

6 Not later than 1 year after the date of enactment
7 of this Act, the Commission shall initiate a review of the
8 regulations issued pursuant to sections 3633(a) and
9 3652(a)(1) of title 39, United States Code, to determine
10 whether revisions are appropriate to ensure that all direct
11 and indirect costs attributable to competitive and market-
12 dominant products are properly attributed to those prod-
13 ucts, including by considering the underlying methodolo-
14 gies in determining cost attribution and considering op-
15 tions to revise those methodologies. If the Commission de-
16 termines, after notice and opportunity for public comment,
17 that revisions are appropriate, the Commission shall make
18 modifications or adopt alternative methodologies as nec-
19 essary.

20 **SEC. 204. RURAL NEWSPAPER SUSTAINABILITY.**

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

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

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

5 “(d)(1)(A) Not later than September 1 of each fiscal
6 year (beginning with fiscal year 2022), the Postal Regu-
7 latory Commission shall submit to the Postal Service a
8 budget of the expenses of the Commission, including ex-
9 penses for facilities, supplies, compensation, and employee
10 benefits, for the following fiscal year.

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

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

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

21 “(B)(i) If the Governors adjust a budget under sub-
22 paragraph (A), the Postal Regulatory Commission shall
23 adjust the suballocations within the budget to reflect the
24 total adjustment made by the Governors.

25 “(ii) A budget adjusted under subparagraph (A) shall
26 be deemed approved on the date on which the Commission

1 makes any adjustments required under clause (i) of this
2 subparagraph.

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

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

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

11 (1) in section 2003(e), by striking “(B) all ex-
12 penses of the Postal Regulatory Commission, subject
13 to the availability of amounts appropriated under
14 section 504(d);” and inserting “(B) all expenses of
15 the Postal Regulatory Commission, in accordance
16 with section 504(d);”; and

17 (2) in section 2009—

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

20 (B) by striking “, and (3) the Postal Regu-
21 latory Commission requests to be appropriated,
22 out of the Postal Service Fund, under section
23 504(d) of this title”.

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

25 (a) FLATS OPERATIONS STUDY.—

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

6 (2) STUDY.—The Commission, in consultation
7 with the Inspector General of the Postal Service,
8 shall conduct a study to—

9 (A) comprehensively identify the causes of
10 inefficiencies in the collection, sorting, transpor-
11 tation, and delivery of Flats; and

12 (B) quantify the effects of the volume
13 trends, investment decisions, excess capacity,
14 and operational inefficiencies of the Postal
15 Service on the direct and indirect costs of the
16 Postal Service that are attributable to Flats.

17 (3) POSTAL SERVICE ASSISTANCE.—For the
18 purposes of carrying out the study under paragraph
19 (2), the Postal Service shall, upon request by the
20 Commission, consult with the Commission and pro-
21 vide—

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

24 (B) information and records necessary to
25 conduct the study.

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

6 (b) FLATS OPERATIONS REFORM.—

7 (1) IN GENERAL.—Not later than 180 days
8 after the date on which the Commission submits the
9 report under subsection (a)(4), the Postal Service
10 shall—

11 (A) develop and implement a plan to rem-
12 edy each inefficiency identified in the study con-
13 ducted under subsection (a)(2) to the extent
14 practicable; and

15 (B) if the Postal Service determines that
16 remedying an inefficiency described in subpara-
17 graph (A) is not practicable, provide to Con-
18 gress and the Commission an explanation for
19 why remedying the inefficiency is not prac-
20 ticable, including whether remedying the ineffi-
21 ciency may become practicable at a later time.

22 (2) IMPLEMENTATION REQUIREMENTS.—Prior
23 to implementing the plan described in paragraph
24 (1)—

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

3 (B) the Postal Service shall provide an
4 adequate opportunity for public comment on the
5 plan.

6 (3) COMPLETION NOTICE.—On the date on
7 which the plan required under paragraph (1) is fully
8 implemented, as determined by the Postmaster Gen-
9 eral, the Postmaster General shall submit to Con-
10 gress and the Commission a written notice of the
11 implementation.

12 (c) SUBSEQUENT RATE ADJUSTMENTS.—During the
13 5-year period beginning on the date on which the Post-
14 master General submits the notice under subsection
15 (b)(3), the Postal Service, when making any adjustment
16 to the rate of a market-dominant product (as defined in
17 section 102 of title 39, United States Code), shall consider
18 the findings of the report described in subsection (a)(4)
19 and the efficacy of the plan described in subsection (b)(1)
20 in remedying the inefficiencies identified in the study con-
21 ducted under subsection (a)(2).

22 **SEC. 207. REPORTING REQUIREMENTS.**

23 (a) IN GENERAL.—Not later than 180 days after the
24 date of enactment of this Act, and every 6 months there-
25 after, the Postmaster General shall submit to the Presi-

1 dent, the Commission, the Committee on Homeland Secu-
2 rity and Governmental Affairs of the Senate, and the
3 Committee on Oversight and Reform of the House of Rep-
4 resentatives a report on the operations and financial con-
5 dition of the Postal Service during the 6-month period
6 ending on the date on which the Postmaster General sub-
7 mits the report.

8 (b) CONTENTS.—Each report submitted under this
9 section shall include updates, details of changes from pre-
10 vious standards and requirements, and assessments of
11 progress being made on the operations and financial con-
12 dition of the Postal Service, including—

13 (1) the actual mail and package volume growth
14 relative to any mail or package volume growth pro-
15 jections previously made or relied upon by the Postal
16 Service, including a discussion of the reasons for the
17 differences in projections and the associated adjust-
18 ments being made in order to accommodate any
19 such differences;

20 (2) the effect of pricing changes on product vol-
21 ume for market-dominant products and competitive
22 products, and associated revenue effects on financial
23 projections, including a discussion of the reasons for
24 the differences in projections and associated adjust-
25 ments being made;

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

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

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

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

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

24 (8) updates on the reliability, efficiency, and
25 cost-effectiveness of the transportation network, in-

1 cluding the manner in which ground transportation
2 is utilized over air transportation for types of prod-
3 ucts;

4 (9) a review of efforts to enhance employee
5 training, safety, and wellbeing, including associated
6 effects on employee recruitment, satisfaction, and re-
7 tention;

8 (10) a review of efforts being made to improve
9 employee allocation, including changes of non-career
10 employees to career status, and any associated im-
11 pacts on operational expenses and processing, trans-
12 portation, and delivery efficiency;

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

19 (12) changes to network distribution centers
20 and the expansion of regional distribution centers,
21 including costs associated with the changes and any
22 realized reduction in operational expenses or im-
23 proved resource efficiencies;

24 (13) a review of the ability of the Postal Service
25 to meet performance targets established under sec-

1 tion 3692(a)(1) of title 39, United States Code, as
2 added by section 201 of this Act;

3 (14) a discussion of—

4 (A) the progress of the Postal Service in
5 achieving any new, self-funded investments, in-
6 cluding the amounts realized and expended to
7 date; and

8 (B) a discussion of the reasons for any dis-
9 parities in the assumptions regarding the ex-
10 pected progress of the Postal Service in achiev-
11 ing new, self-funded investments to accommo-
12 date changes; and

13 (15) any other information the Postal Service
14 determines relevant, such as barriers or unantici-
15 pated events, in order to help the Commission, Con-
16 gress, the President, and the people of the United
17 States evaluate the success of or difficulties faced by
18 the Postal Service in implementing the reform plan.

19 (c) CONFIDENTIAL INFORMATION.—

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

24 (2) NOTIFICATION.—If the Postal Service de-
25 termines that any information must be excluded

1 under paragraph (1), the Postal Service shall, at the
2 time of submitting the report, notify the President,
3 the Committee on Homeland Security and Govern-
4 mental Affairs of the Senate, the Committee on
5 Oversight and Reform of the House of Representa-
6 tives, and the Commission in writing of its deter-
7 mination and describe in detail the information for
8 which confidentiality is sought and the reasons
9 therefor.

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

15 (4) TREATMENT.—No person may, with respect
16 to any information that the person receives under
17 paragraph (3)—

18 (A) use the information for purposes other
19 than the purposes for which the information is
20 supplied; or

21 (B) permit any person or entity other than
22 a person or entity notified under paragraph (2),
23 or the staff thereof, to have access to the infor-
24 mation.

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

4 **SEC. 208. POSTAL SERVICE TRANSPORTATION SELECTION**
5 **POLICY REVISIONS.**

6 Section 101(f) of title 39, United States Code, is
7 amended—

8 (1) by striking “prompt and economical” and
9 inserting “prompt, economical, consistent, and reli-
10 able”;

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

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

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

17 **SEC. 209. USPS INSPECTOR GENERAL OVERSIGHT OF POST-**
18 **AL REGULATORY COMMISSION.**

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

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

23 (2) in subsection (f)(2)—

24 (A) by striking “(2) In carrying” and in-
25 serting “(2)(A) In carrying”; and

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

2 “(B) In carrying out the duties and responsibilities
3 specified in this Act, the Inspector General shall function
4 as the Inspector General for the Postal Regulatory Com-
5 mission, and shall have equal responsibility over the Com-
6 mission and the United States Postal Service. The Com-
7 mission shall comply with the oversight of the Inspector
8 General as if the Commission were a designated Federal
9 entity under subsection (a)(2).”.

10 (b) SAVINGS PROVISION.—

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

19 (2) PROCEEDINGS.—This section and the
20 amendments made by this section shall not affect
21 any proceeding pending on the effective date of this
22 section before an office transferred by either such
23 subsection, but such proceeding shall be continued.
24 Nothing in this paragraph shall be considered to
25 prohibit the discontinuance or modification of any

1 such proceeding under the same terms and condi-
2 tions and to the same extent that such proceeding
3 could have been discontinued or modified if this sec-
4 tion or such amendments had not been enacted.

5 (3) SUITS.—This section and the amendments
6 made by this section shall not affect any suit com-
7 menced before the effective date of this section, and
8 in any such suit, proceeding shall be had, appeals
9 taken, and judgments rendered in the same manner
10 and with the same effect as if this section and those
11 amendments had not been enacted.

12 (4) REFERENCES.—Any reference in any other
13 Federal law, Executive order, rule, regulation, dele-
14 gation of authority, or document to the Inspector
15 General of the Postal Regulatory Commission shall
16 be deemed to refer to the Inspector General of the
17 Postal Service.

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

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