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

IN THE SENATE OF THE UNITED STATES

Mr. CARPER introduced the following bill; which was read twice and referred to the Committee on __________

A BILL

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

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Improving Postal Operations, Service, and Transparency Act of 2015”.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Definitions.
Sec. 4. Universal service obligation and guiding principles.

TITLE I—POSTAL SERVICE WORKFORCE

Sec. 101. Postal specific assumptions.
Sec. 102. Postal Service Health Benefits Program.
Sec. 103. Restructuring of payments for retiree health benefits.
Sec. 104. Annual Federal Employees' Retirement System and Civil Service Retirement System assessments.
Sec. 105. Right of appeal to Merit Systems Protection Board.
Sec. 106. Labor disputes.
Sec. 107. Supervisory and other managerial organizations.
Sec. 108. Addressing the morale of Postal Service employees.

TITLE II—POSTAL OPERATIONS

Sec. 201. Long-term solvency plan; annual financial plan and budget.
Sec. 203. Post office closings, consolidations, and restructuring.
Sec. 204. Area and district office structure.
Sec. 205. Service standards and performance ratings.
Sec. 206. Conversion of door delivery points.
Sec. 207. Fleet maintenance reporting and alternative fuel and emerging technologies demonstration program.
Sec. 208. Multi-broker lease of Postal Service facilities.
Sec. 209. Capitol Complex post offices.

TITLE III—POSTAL SERVICE REVENUE AND INNOVATION

Sec. 301. Rates.
Sec. 302. Postal costing system.
Sec. 303. Nonpostal services.
Sec. 304. Shipping of wine, beer, and distilled spirits.
Sec. 305. Chief Innovation Officer; innovation strategy.
Sec. 306. Strategic Advisory Commission on Postal Service Solvency, Service, and Innovation.

TITLE IV—POSTAL SERVICE CUSTOMER SERVICE, TRANSPARENCY, AND REGULATION

Sec. 401. Customer service study and report.
Sec. 402. Postal Service results and terms.
Sec. 403. Annual report on United States mailing industry.
Sec. 404. Postal Regulatory Commission.
Sec. 406. GAO report on fragmentation, overlap, and duplication in Federal programs and activities.
Sec. 407. Postal services for market-dominant products.
Sec. 408. Postal Inspection Service Mail Covers program.
Sec. 409. Contract disputes.
Sec. 410. Contracting provisions.

TITLE V—FEDERAL EMPLOYEES’ COMPENSATION ACT

Sec. 501. Short title; references.
Sec. 502. Federal workers compensation reforms for retirement-age employees.
Sec. 503. Augmented compensation for dependents.
Sec. 504. Schedule compensation payments.
Sec. 505. Vocational rehabilitation.
Sec. 506. Reporting requirements.
Sec. 507. Disability management review; independent medical examinations.
Sec. 508. Waiting period.
Sec. 509. Election of benefits.
Sec. 510. Sanction for noncooperation with field nurses.
Sec. 511. Subrogation of continuation of pay.
Sec. 512. Integrity and compliance.
Sec. 513. Amount of compensation.
Sec. 514. Terrorism injuries; zones of armed conflict.
Sec. 515. Technical and conforming amendments.
Sec. 516. Regulations.
Sec. 517. Effective date.

SEC. 3. DEFINITIONS.

In this Act, the following definitions shall apply:

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

(2) POSTAL SERVICE.—The term “Postal Service” means the United States Postal Service.

SEC. 4. UNIVERSAL SERVICE OBLIGATION AND GUIDING PRINCIPLES.

Not later than 1 year after the date of enactment of this Act, the Commission shall submit to Congress a report on the universal service obligation of the Postal Service that—

(1) takes into account—

(A) the report of the Commission entitled “Universal Postal Service and the Postal Monopoly”, submitted to the President and Congress on December 19, 2008, in accordance with section 702 of the Postal Accountability and Enhancement Act (39 U.S.C. 501 note); and
(B) the changing nature of communications, including the dramatic changes in e-commerce and the global marketplace; and

(2) includes recommendations on better defining the universal service obligation of the Postal Service to help keep the Postal Service relevant in the digital age.

TITLE I—POSTAL SERVICE

WORKFORCE

SEC. 101. POSTAL SPECIFIC ASSUMPTIONS.

(a) Definition.—In this section, the term “agency” has the meaning given the term “Executive agency” under section 105 of title 5, United States Code.

(b) Use of Postal Specific Assumptions.—The head of each agency shall ensure that the agency uses criteria specific to employees of the Postal Service (including demographic factors and appropriate economic assumptions regarding wage and salary trends specific to the employees) in calculating any liability of the Postal Service, including retiree health benefits, retirement annuity, and workers’ compensation liabilities.

(c) Transparency.—In any report submitted to Congress, the Postal Service, or an agency relating to the valuation of assets and liabilities of funds or accounts maintained for purposes of providing health care or retire-
ment annuities to employees the Postal Service, the Office of Personnel Management, the Department of Labor, and any other relevant agency shall—

(1) identify the persons responsible for preparing the report;

(2) certify that such persons meet the professional qualifications established by the governing body of the relevant profession or industry; and

(3) adhere to the professional standards of practice established by the governing body of the actuarial industry.

SEC. 102. POSTAL SERVICE HEALTH BENEFITS PROGRAM.

(a) Establishment.—

(1) In general.—Chapter 89 of title 5, United States Code, is amended by inserting after section 8903b the following:

"§ 8903c. Postal Service Health Benefits Program

“(a) Definitions.—In this section—

“(1) the term ‘initial contract year’ means the contract year beginning in January of the first full year that begins not less than 7 months after the date of enactment of this section;

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

“(3) the term ‘Medicare eligible individual’ means an individual who—

“(A) is entitled to Medicare part A, but excluding an individual who is eligible to enroll under such part under section 1818 of the Social Security Act (42 U.S.C. 1395i–2); and

“(B) is eligible to enroll in Medicare part B;

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

“(5) the term ‘Medicare part B’ means the Medicare program for supplementary medical insurance benefits under part B of title XVIII of the Social Security Act (42 U.S.C. 1395j et seq.);

“(6) the term ‘Medicare part D’ means the Medicare insurance program established under part D of title XVIII of the Social Security Act (42 U.S.C. 1395w–101 et seq.);

“(7) the term ‘Office’ means the Office of Personnel Management;
“(8) the term ‘Postal Service’ means the United States Postal Service;

“(9) the term ‘Postal Service annuitant’ means an annuitant enrolled in a health benefits plan under this chapter whose Government contribution is paid by the Postal Service or the Postal Service Retiree Health Benefits Fund under section 8906(g)(2);

“(10) the term ‘Postal Service employee’ means an employee of the Postal Service enrolled in a health benefits plan under this chapter;

“(11) the term ‘Postal Service Health Benefits Program’ means the program of health benefits plans established under subsection (c) within the Federal Employees Health Benefits Program under this chapter;

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

“(A) is a Postal Service annuitant; and

“(B) is a Medicare eligible individual;

“(13) the term ‘PSHBP plan’ means a health benefits plan offered under the Postal Service Health Benefits Program; and

“(14) the term ‘qualified carrier’ means a carrier for which the total enrollment in the plans provided under this chapter includes, in the contract
year beginning in January of the year before the ini-
tial contract year, a combined total of 5,000 or more
enrollees who are—

“(A) Postal Service employees; or

“(B) Postal Service annuitants.

“(b) Application of Section.—The requirements
under this section shall—

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

“(2) supersede other provisions of this chapter
to the extent of any specific inconsistency, as deter-
mimed by the Office.

“(c) Establishment of the Postal Service
Health Benefits Program.—

“(1) In general.—The Office shall establish
the Postal Service Health Benefits Program, which
shall—

“(A) consist of health benefit plans offered
under this chapter;

“(B) include plans offered by—

“(i) each qualified carrier; and

“(ii) any other carrier determined ap-
propriate by the Office;
“(C) be available for participation by all Postal Service employees, in accordance with subsection (d);

“(D) be available for participation by all Postal Service annuitants, in accordance with subsection (d);

“(E) not be available for participation by an individual who is not a Postal Service employee or Postal Service annuitant (except as a family member of such an employee or annuitant); and

“(F) be implemented and administered by the Office.

“(2) SEPARATE POSTAL SERVICE RISK POOL.—
The Office shall ensure that each PSHBP plan includes rates, one for enrollment as an individual, one for enrollment for self plus one, and one for enrollment for self and family within each option in the PSHBP plan, that reasonably and equitably reflect the cost of benefits provided to a risk pool consisting solely of Postal Service employees and Postal Service annuitants (and family members of such employees and annuitants), taking into specific account the reduction in benefits cost for the PSHBP plan due to the Medicare enrollment requirements under sub-
section (e) and any savings or subsidies resulting
from subsection (f).

“(3) Actuarially Equivalent Coverage.—
The Office shall ensure that each carrier partici-
pating in the Postal Service Health Benefits Pro-
gram provides coverage under the PSHBP plans of-
fered by the carrier that is actuarially equivalent, as
determined by the Director of the Office, to the cov-
erage that the carrier provides under the health ben-
efits plans offered by the carrier under the Federal
Employee Health Benefits Program that are not
PSHBP plans.

“(4) Applicability of Federal Employee
Health Benefits Program Requirements.—Ex-
cept as otherwise set forth in this section, all provi-
sions of this chapter applicable to health benefit
plans offered by a carrier under section 8903 or
8903a shall apply to PSHBP plans.

“(d) Election of Coverage.—

“(1) In General.—Except as provided in para-
graphs (2) and (3), each Postal Service employee
and Postal Service annuitant who elects to receive
health benefits coverage under this chapter—

“(A) shall be subject to the requirements
under this section; and
“(B) may only enroll in a PSHBP plan.

“(2) ANNUITANTS.—A Postal Service annuitant shall not be subject to this section if the Postal Service annuitant—

“(A) is enrolled in a health benefits plan under this chapter for the contract year before the initial contract year that is not a health benefits plan offered by an initial participating carrier, unless the Postal Service annuitant voluntarily enrolls in a PSHBP plan; or

“(B) resides in a geographic area for which there is not a PSHBP plan in which the Postal Service annuitant may enroll.

“(3) EMPLOYEES.—A Postal Service employee who is enrolled in a health benefits plan under this chapter for the contract year before the initial contract year that is not a health benefits plan offered by an initial participating carrier shall not be subject to the requirements under this section, except that—

“(A) if the Postal Service employee changes enrollment to a different health benefits plan under this chapter after the start of the initial contract year, the Postal Service employee may only enroll in a PSHBP plan; and
“(B) upon becoming a Postal Service annuitant, if the Postal Service employee elects to continue coverage under this chapter, the Postal Service employee shall enroll in a PSHBP plan during the first open season available after the Postal Service employee becomes a Postal Service annuitant.

“(e) REQUIREMENT OF MEDICARE ENROLLMENT.—

“(1) POSTAL SERVICE MEDICARE ELIGIBLE ANNUITANTS.—A Postal Service Medicare eligible annuitant subject to this section may not continue coverage under the Postal Service Health Benefits Program unless the Postal Service Medicare eligible annuitant enrolls in Medicare part A, Medicare part B, and Medicare part D (as part of a prescription drug plan described in subsection (f)).

“(2) MEDICARE ELIGIBLE FAMILY MEMBERS.—If a family member of a Postal Service annuitant who is subject to this section is a Medicare eligible individual, the family member may not be covered under the Postal Service Health Benefits Program as a family member of the Postal Service annuitant unless the family member enrolls in Medicare part A, Medicare part B, and Medicare part D (as part
of a prescription drug plan described in subsection (f)).

“(f) Medicare Part D Prescription Drug Benefits.—The Office shall require each PSHBP plan to provide prescription drug benefits for Postal Service annuitants and family members who are eligible for Medicare part D through a prescription drug plan offered under a waiver under section 1860D–22 of the Social Security Act (42 U.S.C. 1395w–132).

“(g) Postal Service Contribution.—

“(1) In general.—Subject to subsection (i), for purposes of applying section 8906(b) to the Postal Service, the weighted average shall be calculated in accordance with paragraph (2).

“(2) Weighted average calculation.—Not later than October 1 of each year, the Office shall determine the weighted average of the rates established pursuant to subsection (c)(2) for PSHBP plans that will be in effect during the following contract year with respect to—

“(A) enrollments for self only;
“(B) enrollments for self plus one; and
“(C) enrollments for self and family.

“(h) Reserves.—

“(1) Separate reserves.—
“(A) IN GENERAL.—The Office shall ensure that each PSHBP plan maintains separate reserves (including a separate contingency reserve) with respect to the enrollees in the PSHBP plan in accordance with section 8909.

“(B) REFERENCES.—For purposes of the Postal Service Health Benefits Program, each reference to ‘the Government’ in section 8909 shall be deemed to be a reference to the Postal Service.

“(C) AMOUNTS TO BE CREDITED.—The reserves (including the separate contingency reserve) maintained by each PSHBP plan shall be credited with a proportionate amount of the funds in the existing reserves for health benefits plans offered by an initial participating carrier.

“(2) DISCONTINUATION OF PSHBP PLAN.—In applying section 8909(e) relating to a PSHBP plan that is discontinued, the Office shall credit the separate Postal Service contingency reserve maintained under paragraph (1) for that plan only to the separate Postal Service contingency reserves of the PSHBP plans continuing under this chapter.

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

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

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

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

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

(b) SPECIAL ENROLLMENT PERIOD FOR POSTAL
SERVICE MEDICARE ELIGIBLE ANNUITANTS AND MED-
ICARE ELIGIBLE FAMILY MEMBERS OF POSTAL SERVICE
ANNUITANTS.—

(1) SPECIAL ENROLLMENT PERIOD.—Section
1837 of the Social Security Act (42 U.S.C. 1395p)
is amended by adding at the end the following new
subsection:

“(m)(1)(A) In the case of any individual who is sub-
ject to the enrollment requirement of section 8903c(e) of
title 5, United States Code, who has elected not to enroll
(or to be deemed enrolled) during the individual’s initial
enrollment period, there shall be a special enrollment pe-
period described in subparagraph (B).

“(B) The special enrollment period described in this
subparagraph is the 6-month period, beginning on August
1 of the year before the initial contract year and ending
on January 31 of the initial contract year.

“(2)(A) In the case of any individual who—

“(i) was initially not subject to the enrollment
requirement of section 8903c(e) of title 5, United
States Code;

“(ii) is eligible to enroll in a plan under chapter
89 of title 5, United States Code, because of an in-
voluntary loss of health care coverage;

“(iii) upon the involuntary loss of health care
coverage, becomes subject to the enrollment require-
ment of section 8903c(e) of title 5, United States
Code, because of enrollment in a PSHBP plan; and

“(iv) has elected not to enroll (or to be deemed
enrolled) during the individual’s initial enrollment
period,

there shall be a special enrollment period described in sub-
paragraph (B).
“(B) The special enrollment period described in this subparagraph is the period of time equivalent to the period of time in which the individual has the ability to enroll in a PSHBP plan due to the involuntary loss of health care coverage, pursuant to chapter 89 of title 5, United States Code, and its implementing regulations.

“(C) For purposes of this subsection, the term ‘PSHBP plan’ has the meaning under section 8903c(a) of title 5, United States Code.

“(3) In the case of an individual who enrolls during the special enrollment period provided under paragraphs (1) and (2), the coverage period under this part shall begin on the first day of the month in which the individual enrolls.”.

(2) Waiver of increase of premium.—Section 1839(b) of the Social Security Act (42 U.S.C. 1395r(b)) is amended by striking “(i)(4) or (l)” and inserting “(i)(4), (l), or (m)”.

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

(a) Contributions.—Section 8906(g)(2) of title 5, United States Code, is amended—

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

(2) in subparagraph (A)—
(A) in clause (i), as so designated, by striking “shall through September 30, 2016, be paid” and all that follows and inserting “shall be paid as provided in clause (ii).”; and 

(B) by adding at the end the following:

“(ii) With respect to the Government contributions required to be paid under clause (i)—

“(I) the portion of the contributions that is equal to the amount of the net claims costs under the enrollment of the individuals described in clause (i) shall be paid from the Postal Service Retiree Health Benefits Fund up to the amount contained in the Fund; and

“(II) any remaining amount shall be paid by the United States Postal Service.”; and

(3) by adding at the end the following:

“(C) For purposes of this paragraph, the amount of the net claims costs under the enrollment of an individual described in subparagraph (A)(i) shall be the amount, as determined by the Office over any particular period of time, that is the difference between—

“(i) the sum of—

“(I) the costs incurred by a carrier in providing health services to, paying for health services provided to, or reimbursing expenses for
health services provided to, the individual and any other person covered under the enrollment of the individual; and

“(II) an amount of indirect expenses reasonably allocable to the provision, payment, or reimbursement described in subclause (I), as determined by the Office; and

“(ii) the amount withheld from the annuity of the individual or otherwise paid by the individual under this section.”.

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

(1) in subsection (d)—

(A) in paragraph (1), by striking “required under section 8906(g)(2)(A)” and inserting “required to be paid from the Postal Service Retiree Health Benefits Fund under section 8906(g)(2)(A)(ii)(I)”;

(B) by striking paragraph (2) and inserting the following:

“(2)(A) Not later than June 30, 2017, the Office shall compute, and by June 30 of each succeeding year, the Office shall recompute, a schedule including a series of annual installments which provide for the liquidation
of the amount described under subparagraph (B) (regardless of whether the amount is a liability or surplus) by September 30, 2056, including interest at the rate used in the computations under this subsection.

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

“(i) 80 percent of the Postal Service actuarial liability as of September 30 of the preceding fiscal year; and

“(ii) the value of the assets of the Postal Service Retiree Health Benefits Fund as of September 30 of the preceding fiscal year.”;

(C) in paragraph (3)—

(i) in subparagraph (A)—

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

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

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

(ii) in subparagraph (B)(ii)—
(I) by inserting “subject to paragraph (7),” before “any annual installment”; and

(II) by striking “paragraph (2)(B)” and inserting “paragraph (2)”;

(D) by amending paragraph (4) to read as follows:

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

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

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

(E) by adding at the end the following:

“(7)(A)(i) There is established in the Treasury a fund to be known as the ‘Postal Service Investment Account’ (in this paragraph referred to as the ‘Account’).

“(ii) The Secretary of the Treasury shall invest amounts in the Account in a manner similar to how amounts in the Thrift Savings Fund are invested and in accordance with guidance from the Thrift Savings Board.
“(B) If the amount described under paragraph (2)(B) for a fiscal year is a liability, the United States Postal Service may, in lieu of paying an annual installment under paragraph (3)(B)(ii), deposit in the Account an amount equal to the amount of the annual installment.

“(C)(i)(I) Before September 30 of the tenth fiscal year after the fiscal year during which the United States Postal Service makes a deposit under subparagraph (B) in lieu of paying an annual installment under paragraph (3)(B)(ii), upon request by the United States Postal Service or if determined appropriate by the Secretary of the Treasury, the Secretary of the Treasury shall transfer from the amounts in the Account attributable to the earnings on the deposit to the Postal Service Retiree Health Benefits Fund an amount equal to the amount of such annual installment.

“(II) If a transfer has not been made under subclause (I) relating to a deposit under subparagraph (B) in lieu of paying an annual installment under paragraph (3)(B)(ii) before September 30 of the tenth fiscal year after the fiscal year during which the United States Postal Service makes the deposit, effective on such September 30, the Secretary of the Treasury shall transfer from the amounts in the Account attributable to the earnings on the deposit to the Postal Service Retiree Health Benefits Fund an amount equal to the amount of such annual installment.
Fund an amount equal to the amount of such annual installment.

“(ii) If, on the date a transfer is required under clause (i)(II), the amount in the Account attributable to the earnings on the applicable deposit is less than the amount required to be transferred under clause (i)(II)—

“(I) the Secretary of the Treasury shall transfer to the Postal Service Retiree Health Benefits Fund the amounts in the Account attributable to the earnings on the applicable deposit; and

“(II) the United States Postal Service—

“(aa) may request that the Secretary of the Treasury transfer to the Postal Service Retiree Health Benefits Fund from the amounts in the Account attributable to the applicable deposit an amount equal to the difference between the amount transferred under subclause (I) and the amount of the applicable annual installment; and

“(bb) if the United States Postal Service does not request a transfer under item (aa), shall pay into the Postal Service Retiree Health Benefits Fund an amount equal to the difference between the amount transferred under...
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24

subclause (I) and the amount of the applicable annual installment.

“(iii) After a transfer under clause (i) and a transfer or payment under clause (ii), if applicable, any remaining amounts in the Account that are attributable to the applicable deposit and earnings on the deposit—

“(I) shall be used by the United States Postal Service to repay any obligation issued under section 2005(a) of title 39;

“(II) to the extent amounts remain after repayments under subclause (I), shall be transferred by the United States Postal Service to the Civil Service Retirement and Disability Fund for the purpose of reducing any supplemental liability under section 8348(h); and

“(III) to the extent amounts remain after repayments under subclause (I) and transfers under subclause (II), may be used by the United States Postal Service for the operation of the United States Postal Service.

“(8) In this subsection, the term ‘Postal Service actuarial liability’ means the difference between—

“(A) the net present value of future payments required to be paid from the Postal Service Retiree Health Benefits Fund under section
8906(g)(2)(A)(ii)(I) for current and future United States Postal Service annuitants; and

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

“(9) For purposes of computing an amount under paragraph (1) or (8)(A), section 8906(g)(2)(A)(ii)(I) shall be applied as though ‘up to the amount contained in the Fund’ were struck.”; and

(2) by adding at the end the following:

“(e) Subsections (a) through (d) of this section shall be subject to section 102 of the Improving Postal Operations, Service, and Transparency Act of 2015.”.

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

(d) TECHNICAL AND CONFORMING AMENDMENT.—The heading of section 8909a of title 5, United States Code, is amended by striking “Benefit” and inserting “Benefits”.
SEC. 104. ANNUAL FEDERAL EMPLOYEES’ RETIREMENT SYSTEM AND CIVIL SERVICE RETIREMENT SYSTEM ASSESSMENTS.

(a) Use of Postal-specific Assumptions in Normal Cost Calculation.—

(1) In general.—Section 8423(a) of title 5, United States Code, is amended—

(A) in paragraph (1), by inserting “other than the United States Postal Service” after “Each employing agency”; and

(B) by adding at the end the following:

“(5)(A) The United States Postal Service shall contribute to the Fund an amount equal to the product of—

“(i) the normal-cost percentage, as determined for employees of the United States Postal Service under subparagraph (B), multiplied by

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

“(B)(i) In determining the normal-cost percentage for employees of the United States Postal Service, the Office shall use—
“(I) demographic factors specific to the employees; and

“(II) appropriate economic assumptions, consistent with recommendations from an independent entity, regarding wage and salary trends specific to the employees.

“(ii) The United States Postal Service shall provide any data or projections the Office requires in order to determine the normal-cost percentage for employees of the United States Postal Service consistent with clause (i).

“(iii) Notwithstanding paragraph (2), in determining the normal-cost percentage to be applied for employees of the United States Postal Service, the Office shall take into account amounts provided under section 8422.

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

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

“(II) at any additional times, as the Office considers appropriate.”.
(2) INITIAL DETERMINATION.—Not later than 180 days after the date on which the Office receives the appropriate data or projections from the Postal Service under clause (ii) of section 8423(a)(5)(B) of title 5, United States Code, as added by paragraph (1), the Office shall determine the normal-cost percentage for employees of the Postal Service in accordance with the requirements under such section 8423(a)(5)(B).

(3) APPLICABILITY.—On and after the date on which the Office determines the normal-cost percentage under paragraph (2), the contributions of the Postal Service to the Civil Service Retirement and Disability Fund relating to employees covered under chapter 84 of title 5, United States Code, shall be determined in accordance with paragraph (5) of section 8423(a) of title 5, United States Code, as added by paragraph (1).

(b) POSTAL FUNDING SURPLUS OR LIABILITY.—

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

(A) in paragraph (2)—

(i) by striking “or (1)(B)”; and
(ii) by inserting “and the amount of any supplemental liability computed under paragraph (1)(B) shall be amortized in 40 equal annual installments” after “annual installments”; (B) by redesignating paragraph (5) as paragraph (6); and (C) by inserting after paragraph (4) the following:

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

“(B) After the date on which the Office determines under paragraph (7)(C) the amount of supplemental liability computed under paragraph (1)(B) as of the close of the fiscal year ending on September 30, 2013, not later than the date on which the Postmaster General makes a request under subparagraph (C) of this paragraph, and if the amount determined under paragraph (7)(C) is less than zero, the Postmaster General may request that some or all of the amount of the postal funding surplus, not to exceed $6,000,000,000, be returned to the United States Postal Service, and not later than 10 days
after the request, the Director shall transfer to the United States Postal Service from the Fund an amount equal to the portion of the postal funding surplus requested, for use in accordance with subparagraph (E)(i).

“(C)(i) Subject to clause (ii), after the date on which the Office computes the amount of supplemental liability under paragraph (1)(B) as of the close of the fiscal year ending on September 30, 2014, and if such amount is less than zero, the Postmaster General may request that some of the amount of the postal funding surplus, not to exceed \(\frac{2}{3}\) of the amount, be returned to the United States Postal Service, and not later than 10 days after the request, the Director shall transfer to the United States Postal Service from the Fund an amount equal to the portion of the postal funding surplus requested, for use in accordance with subparagraph (E)(ii).

“(ii) If any amount requested by the Postmaster General under subparagraph (B) is not transferred from the Fund as of the close of the fiscal year ending on September 30, 2014, for purposes of this subparagraph, the Office shall recompute the amount of supplemental liability computed under
paragraph (1)(B) as of the close of that fiscal year by subtracting from the balance of the Fund the amount requested under subparagraph (B) of this paragraph.

“(D) If the amount of supplemental liability computed under paragraph (1)(B) as of the close of any fiscal year commencing after September 30, 2014, is less than zero, the Office shall establish an amortization schedule, including a series of equal annual installments that—

“(i) provide for the liquidation of the postal funding surplus in 40 years, commencing on September 30 of the subsequent fiscal year; and

“(ii) shall be transferred to the United States Postal Service from the Fund for use in accordance with subparagraph (E)(ii).

“(E)(i) The United States Postal Service may use an amount transferred under subparagraph (B) only for the purpose of repaying any obligation issued under section 2005(a) of title 39.

“(ii) The United States Postal Service may use an amount transferred under subparagraph (C) or (D) only—

“(I) by directing that some or all of the amount be transferred to the Postal Service Re-
tiree Health Benefits Fund for the purpose of reducing any Postal Service actuarial liability referred to under section 8909a;

“(II) by directing that some or all of the amount be transferred to the Civil Service Retirement and Disability Fund for the purpose of reducing any supplemental liability under section 8348(h);

“(III) by directing that some or all of the amount be transferred to the Civil Service Retirement and Disability Fund for the purpose of reducing any supplemental liability under section 8423(b)(1)(B); or

“(IV) as described in clause (i), if none of the liabilities referred to in subclause (I), (II), or (III) remain unpaid.”.

(2) Supplemental liability calculation.—

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

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

(ii) by adding at the end the fol-
lowing:

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

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

“(ii) appropriate economic assumptions, as
determined by the Office, regarding wage and
salary trends specific to current employees of
the United States Postal Service.

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

“(C) Not later than 180 days after the later of
the date on which the Office receives the appropriate
data or projections from the United States Postal
Service under subparagraph (B) or the date of en-
actment of the Improving Postal Operations, Serv-
ice, and Transparency Act of 2015, the Office shall
determine or redetermine whether there is a postal
funding surplus (as defined in paragraph (5)) or a
supplemental liability described in paragraph (1)(B)
(and the amount thereof) as of the close of the fiscal
year ending on September 30, 2013, in accordance
with the requirements under subparagraph (A) of
this paragraph.”.

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

(i) in paragraph (2), by striking sub-
paragraph (B) and inserting the following:

“(B)(i)(I) Not later than the date on which the Office
determines the normal-cost percentage under section
104(a)(2) of the Improving Postal Operations, Service,
and Transparency Act of 2015, the Office shall redeter-
mine the Postal surplus or supplemental liability as of the
close of the fiscal year ending on September 30, 2013,
in accordance with the requirements under paragraph (4).

“(II) If the result of the redetermination under sub-
clause (I) is a surplus, that amount shall remain in the
Fund until distribution is authorized under subparagraph
(C).

“(III) If the result of the redetermination under sub-
clause (I) is a supplemental liability, the Office shall estab-
lish an amortization schedule, including a series of annual
installments commencing on September 30, 2016, which
provides for the liquidation of such liability by September
30, 2055.

“(ii)(I) The Office shall determine the Postal surplus
or supplemental liability as of the close of each fiscal year
beginning after September 30, 2014, in accordance with
the requirements under paragraph (4).

“(II) If the result of the determination under sub-
clause (I) is a surplus, that amount shall remain in the
Fund until distribution is authorized under subparagraph
(C).

“(III) On and after June 15, 2016, if the result of
the determination under subclause (I) is a supplemental
liability, the Office shall establish an amortization sched-
ule, including a series of annual installments commencing
on September 30 of the subsequent fiscal year, which pro-
vides for the liquidation of such liability by September 30,
2055.”; and

(ii) by adding at the end the fol-
lowing:

“(4)(A) For the purpose of carrying out paragraphs
(1) and (2), the Office shall, consistent with section
8423(a)(5)(B), use—
“(i) demographic factors specific to current and former employees of the United States Postal Service; and

“(ii) appropriate economic assumptions, as determined by the Office, regarding wage and salary trends specific to the employees.

“(B) The United States Postal Service shall provide any data or projections the Office requires in order to carry out paragraphs (1) and (2) consistent with subparagraph (A) of this paragraph.”.

SEC. 105. RIGHT OF APPEAL TO MERIT SYSTEMS PROTECTION BOARD.

Section 1005(a)(4)(A)(ii)(I) of title 39, United States Code, is amended to read as follows:

“(I) is an officer or employee of the Postal Service who—

“(aa) is not represented by a bargaining representative recognized under section 1203; and

“(bb) is in a supervisory, professional, technical, clerical, administrative, or managerial position covered by the Executive and Administrative Schedule; and”.
SEC. 106. LABOR DISPUTES.

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

(1) in paragraph (2)—

(A) by inserting “(A)” after“(2)”;

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

(C) by adding at the end the following:

“(B) In rendering a decision under this paragraph, the arbitration board shall consider such relevant factors as the financial condition of the Postal Service.”; and

(2) by adding at the end the following:

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

SEC. 107. SUPERVISORY AND OTHER MANAGERIAL ORGANIZATIONS.

Section 1004 of title 39, United States Code, is amended—

(1) in subsection (a), by inserting “and fringe benefits” after “differentials in rates of pay”;

(2) in subsection (b), in the second sentence, by inserting “as provided under subsection (d) and any
changes in, or termination of, pay policies and schedules and fringe benefit programs for members of the supervisors' organization as provided under subsection (e). Such pay policies and fringe benefit programs shall reflect adequate differentials in rates of pay and fringe benefits as provided under subsection (a)” before the period; and

(3) in subsection (e)(1), by inserting “, or termination of,” after “any changes in”.

SEC. 108. ADDRESSING THE MORALE OF POSTAL SERVICE EMPLOYEES.

(a) APPOINTMENT OF A WORKFORCE DEVELOPMENT OFFICER.—

(1) IN GENERAL.—The Postmaster General shall designate an employee of the Postal Service as the Workforce Development Officer and assign to the Workforce Development Officer primary responsibility for issues relating to the morale of employees of the Postal Service stationed at the headquarters of the Postal Service and employees of the Postal Service stationed in other locations.

(2) DUTIES.—The Workforce Development Officer—

(A) shall oversee and develop national initiatives, in consultation with all relevant stake-
holders, that address working conditions, staffing, communication, training, and employee morale at the Postal Service; and

(B) may work with employees of the Postal Service throughout the United States, as needed, who have responsibilities relating to carrying out the national initiatives.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Inspector General of the Postal Service, after consultation with relevant individuals and entities, shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report examining the challenges confronted by the Postal Service, including—

(1) decisionmaking by the management of the Postal Service;

(2) workforce conditions;

(3) the morale of employees of the Postal Service stationed at the headquarters of the Postal Service and employees of the Postal Service stationed in other locations; and

(4) recommendations, if any, for improvement.

(c) ACTION PLAN.—The Postal Service shall develop and submit to the Committee on Homeland Security and
Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives an action plan to address the recommendations contained in the report of the Inspector General.

TITLE II—POSTAL OPERATIONS

SEC. 201. LONG-TERM SOLVENCY PLAN; ANNUAL FINANCIAL PLAN AND BUDGET.

(a) DEFINITIONS.—In this section—

(1) the term “Board of Governors” means the Board of Governors of the Postal Service;

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

(3) the term “solvency” means the ability of the Postal Service to pay debts and meet expenses, including the ability to perform maintenance and repairs, make investments, and maintain financial reserves, as necessary to fulfill the requirements under, and comply with the policies of, title 39, United States Code, and other obligations of the Postal Service.

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

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

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

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

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

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

(A) the legal authority of the Postal Service;

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

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

(D) projected changes in mail volume;
(E) the impact of any regulations that the Postal Service is required to promulgate under Federal law;

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

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

(H) the distinctions between market-dominant and competitive products.

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

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

(B) SUBMISSION TO CONGRESS AND COMMISSION.—Not later than 60 days after initial receipt of the long-term solvency plan, the Board of Governors shall provide a copy of the long-term solvency plan, together with a letter indicating whether and in what respects the
Board of Governors agrees or disagrees with the measures set out in the long-term solvency plan, to—

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

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

(iii) the Commission.

(4) Updates.—

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

(B) Review by Board of Governors.—The Board of Governors shall review and submit to Congress and the Commission the updates under this paragraph in accordance with paragraph (3).

(c) Annual Financial Plan and Budget.—

(1) In general.—For each of the first 5 full fiscal years after the date of enactment of this Act, not later than August 1 of the preceding fiscal year,
the Postmaster General shall submit to the Board of
Governors a financial plan and budget for the fiscal
year that is consistent with the goal of achieving the
long-term solvency of the Postal Service.

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

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

(B) include the annual budget program of
the Postal Service under section 2009 of title
39, United States Code, and the plan of the
Postal Service commonly referred to as the “In-
tegrated Financial Plan”;

(C) describe lump-sum expenditures by all
categories traditionally used by the Postal Serv-

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

(E) contain estimates of overall debt (both
outstanding and expected to be incurred);
(F) contain cash flow and liquidity forecasts for the Postal Service at such intervals as the Board of Governors may require;

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

(H) distinguish between market-dominant and competitive products, as practicable; and

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

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

(A) DEFINITION.—In this paragraph, the term “covered recipient” means—

(i) the Postmaster General;

(ii) the President;

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

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

(B) REVIEW BY THE BOARD OF GOVERNORS.—

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

(ii) ADDITIONAL INFORMATION.—In conducting the review under this subparagraph, the Board of Governors may request any additional information it considers necessary and appropriate to carry out the duties of the Board of Governors.

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

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

(ii) the Postmaster General shall submit the annual budget program for the relevant fiscal year to the Office of Management and Budget in accordance with section 2009 of title 39, United States Code.
(D) **Disapproval of Financial Plan and Budget Submitted by the Postmaster General.**—

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

(I) disapprove the financial plan and budget;

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

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

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

(ii) **Submission to Office of Management and Budget.**—Upon receipt of
a revised financial plan and budget under clause (i)(IV), the Postmaster General shall submit the annual budget program for the relevant fiscal year to the Office of Management and Budget in accordance with section 2009 of title 39, United States Code.

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

(i) a notice of approval under subparagraph (C)(i); or

(ii) an approved financial plan and budget for the fiscal year under subparagraph (D)(i)(IV).

(F) REVISIONS TO FINANCIAL PLAN AND BUDGET.—

(i) PERMITTING POSTMASTER GENERAL TO SUBMIT REVISIONS.—The Post-
master General may submit proposed revisions to the financial plan and budget for a fiscal year to the Board of Governors at any time during that fiscal year.

(ii) Process for Review, Approval, Disapproval, and Postmaster General Action.—The procedures described in subparagraphs (B) through (E) shall apply with respect to a proposed revision to a financial plan and budget in the same manner as such procedures apply with respect to the original financial plan and budget.

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

(e) Third-party Analysis of Postal Service Finances.—The Commission shall enter into a contract with 1 or more independent third parties under which the third party or parties, not later than 15 months after the date of enactment of this Act, shall—

(1) complete a study that analyzes—
(A) the finances of the Postal Service;

(B) the overall mailing industry;

(C) the demand for market-dominant and competitive products and services in rural, urban, and suburban communities; and

(D) the changes in overall revenue and cost savings of the Postal Service due to recent—

(i) closings and consolidations of processing plants, post offices, and other facilities;

(ii) changes to service standards; and

(iii) service performance; and

(2) submit to the Commission a report on the study conducted under paragraph (1) that includes recommendations on affordable options and timetables for improving postal operations and services, including—

(A) how rural service measurement can be made more accurate to ensure that the Postal Service comprehensively measures the mail service provided to each region of the United States, regardless of population size and geographic location;
(B) the feasibility of restoring overnight service standards for market-dominant products similar to the service standards that were in effect on July 1, 2012, including an examination of the resources needed, structural and operational changes needed, and market demand for such a change;

(C) recommended definitions for the terms “urban”, “suburban”, and “rural” for purposes of measuring the performance of the Postal Service relative to service standards under section 3691 of title 39, United States Code, as amended by section 205; and

(D) the feasibility, including the costs and benefits, of bifurcating postal delivery into 2 components, consisting of a market-dominant product delivery component and a competitive product delivery component.

SEC. 202. PLANT CLOSINGS AND CONSOLIDATIONS.

(a) Moratorium on Closing or Consolidation of Postal Facilities.—During the 2-year period beginning on the date of enactment of this Act, the Postal Service may not close or consolidate any postal facility (as defined in section 404(f) of title 39, United States Code, as added by this section).
(b) CLOSING OR CONSOLIDATING CERTAIN POSTAL FACILITIES.—Section 404 of title 39, United States Code, is amended by adding at the end the following:

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

“(1) POSTAL FACILITY.—In this subsection, the term ‘postal facility’—

“(A) means any Postal Service facility that is primarily involved in the preparation, dispatch, or other physical processing of mail; and

“(B) does not include—

“(i) any post office, station, or branch; or

“(ii) any facility used only for administrative functions.

“(2) AREA MAIL PROCESSING STUDY.—

“(A) NEW AREA MAIL PROCESSING STUDIES.—After the date of enactment of this subsection, before making a determination under subsection (a)(3) as to the necessity for the closing or consolidation of any postal facility, the Postal Service shall—

“(i) conduct an area mail processing study relating to that postal facility that includes—
“(I) a plan to reduce the capacity of the postal facility, but not close the postal facility; and

“(II) consideration of the effect of the closing or consolidation of the postal facility on the ability of individuals served by the postal facility to vote by mail and the ability of the Postal Service to timely deliver ballots by mail in accordance with the deadline to return ballots established under applicable State law;

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

“(iii) publish a notice that the study is complete and available to the public, including on the Postal Service website.

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

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

“(I) consider a plan to reduce the capacity of the postal facility without closing the postal facility;
“(II) consider the effect of the closing or consolidation of the postal facility on the ability of individuals served by the postal facility to vote by mail and the ability of the Postal Service to timely deliver ballots by mail in accordance with the deadline to return ballots established under applicable State law; and

“(III) publish the results of the consideration under subclause (I) with or as an amendment to the area mail processing study relating to the postal facility.

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

“(I) an area mail processing study that does not include a plan to reduce the capacity of the postal facility without closing the postal facility or consideration of the effect of the closing or consolidation of the postal facility on the ability of individuals
served by the postal facility to vote by
mail and the ability of the Postal
Service to timely deliver ballots by
mail in accordance with the deadline
to return ballots established under ap-
pllicable State law has been completed;

“(II) an area mail processing
study is in progress; or

“(III) a determination as to the
necessity for the closing or consolida-
tion of the postal facility has not been
made.

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

“(A) provide notice of the determination
to—

“(i) Congress; and

“(ii) the Postal Regulatory Commis-
sion;

“(B) provide adequate public notice of the
intention of the Postal Service to close or con-
solidate the postal facility;
“(C) ensure that interested persons have an opportunity to submit public comments during a 45-day period after the notice of intention is provided under subparagraph (B);

“(D) before the 45-day period described in subparagraph (C), provide for public notice of that opportunity by—

“(i) publication on the Postal Service website;

“(ii) prominent posting at the affected postal facility; and

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

“(E) during the 45-day period described in subparagraph (C), conduct a public community meeting that provides an opportunity for public comments to be submitted verbally or in writing.

“(4) FURTHER CONSIDERATIONS.—Not earlier than 30 days after the end of the 45-day period for public comment under paragraph (3), the Postal Service, in making a determination to close or consolidate a postal facility, shall consider—
“(A) the views presented by interested persons under paragraph (3);

“(B) the effect of the closing or consolidation on the affected community, including any disproportionate impact the closing or consolidation may have on a State, region, or locality;

“(C) the effect of the closing or consolidation on the travel times and distances for affected customers to access services under the proposed closing or consolidation;

“(D) the effect of the closing or consolidation on delivery times for all classes of mail;

“(E) any characteristics of certain geographical areas, such as remoteness, broadband internet availability, and weather-related obstacles to using alternative facilities, that may result in the closing or consolidation having a unique effect;

“(F) the effect of the closing or consolidation on small businesses in the area, including shipping and communications with customers and suppliers and the corresponding impact on revenues, operations, and growth; and

“(G) any other factor the Postal Service determines is necessary.
“(5) Notice of final determination; justification statement.—Before the date on which the Postal Service closes or consolidates a postal facility, the Postal Service shall post on the Postal Service website—

“(A) notice of the final determination to close or consolidate the postal facility; and

“(B) a closing or consolidation justification statement that includes—

“(i) a response to all public comments received with respect to the considerations described under paragraph (4); 

“(ii) a description of the considerations made by the Postal Service under paragraph (4); and

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

“(6) Closing or consolidation of postal facilities.—

“(A) In general.—Not earlier than 15 days after the date on which the Postal Service posts notice of the final determination and the justification statement under paragraph (5) with respect to a postal facility, the Postal
Service may close or consolidate the postal facility.

“(B) ALTERNATIVE INTAKE OF MAIL.—If the Postal Service closes or consolidates a postal facility under subparagraph (A), the Postal Service shall make reasonable efforts to ensure continued mail receipt from customers of the closed or consolidated postal facility at the same location or at another appropriate location in close geographic proximity to the closed or consolidated postal facility.

“(7) POSTAL REGULATORY COMMISSION APPEALS.—

“(A) RIGHT TO APPEAL.—A determination of the Postal Service to close or consolidate any postal facility may be appealed by any person served by the postal facility to the Postal Regulatory Commission not later than 15 days after the date on which the determination is posted on the Postal Service website under paragraph (5).

“(B) REVIEW BASED ON RECORD.—The Commission shall review a determination appealed under this paragraph on the basis of the
record before the Postal Service in the making of the determination.

“(C) Deadline for Commission Determination.—The Commission shall make a determination based upon a review conducted under subparagraph (B) not later than 90 days after the date on which the Commission receives the appeal of the determination under subparagraph (A).

“(D) Bases for Setting Aside Postal Service Determinations.—In making a determination under subparagraph (C), the Commission shall set aside any determination, finding, or conclusion of the Postal Service that the Commission determines—

“(i) is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law;

“(ii) is without observance of the procedures required under this subsection or any other applicable law; or

“(iii) is unsupported by substantial evidence on the record.

“(E) Option to Affirm or Remand.—

The Commission—
“(i) may affirm a determination of the Postal Service appealed under this paragraph or order that the entire matter be returned for further consideration; and

“(ii) may not modify the determination of the Postal Service.

“(F) Temporary Suspension.—The Commission may suspend the effectiveness of a determination of the Postal Service appealed under this paragraph until the final disposition of the appeal.

“(G) Applicability of Other Laws.—The provisions of section 556, section 557, and chapter 7 of title 5 shall not apply to any review carried out by the Commission under this paragraph.

“(H) Date of Receipt of Appeal.—For purposes of subparagraph (A), any appeal received by the Commission shall—

“(i) if sent to the Commission through the mails, be considered to have been received on the date of the Postal Service postmark on the envelope or other cover in which the appeal is mailed; or
“(ii) if otherwise lawfully delivered to
the Commission, be considered to have
been received on the date determined based
on any appropriate documentation or other
indicia (as determined under regulations of
the Commission).

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

“(A) is updated routinely; and

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

“(9) PROTECTION OF CERTAIN INFORMATION.—Nothing in this subsection may be construed
to require the Postal Service to disclose—

“(A) any proprietary data, including any
reference or citation to proprietary data; or

“(B) any information relating to the secu-

ritv of a postal facility.”.
SEC. 203. POST OFFICE CLOSINGS, CONSOLIDATIONS, AND RESTRUCTURING.

(a) Moratorium on Closing, Consolidating, Reducing Hours of, or Reclasifying Downward Certain Post Offices.—During the 5-year period beginning on the date of enactment of this Act, the Postal Service may not—

(1) close or consolidate any post office; or

(2) reduce the hours of operation of or reclassify downward any post office that, as of the date of enactment of this Act, was classified at or below level 18.

(b) Required Procedures.—Section 404(d) of title 39, United States Code, is amended—

(1) by striking “(6) For purposes of paragraph (5)” and inserting the following:

“(7) Date of Receipt of Appeals.—For purposes of paragraph (6)”;

(2) by striking “(5) A determination” and inserting the following:

“(6) Appeals.—A determination”;

(3) by striking “(d)(1) The Postal Service” and all that follows through the end of paragraph (4) and inserting the following:

“(d) Discontinuance of Post Offices.—

“(1) Definitions.—In this subsection—
“(A) the term ‘discontinuance’ has the meaning given the term in section 241.3 of title 39, Code of Federal Regulations, as in effect on November 1, 2013;

“(B) the term ‘local government’ means—

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

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

“(iii) a rural community, an unincorporated town or village, or an instrumentality of a rural community or an unincorporated town or village; and

“(C) the term ‘post office’ means a post office, post office branch, post office classified station, or other facility that is operated by the Postal Service, the primary function of which is to provide retail postal services.

“(2) PRELIMINARY CONSIDERATIONS.—The Postal Service, prior to making a determination under subsection (a)(3) of this section as to the ne-
cessity for the discontinuance of any post office, shall—

“(A) consider whether—

“(i) to discontinue the post office and combine it with another post office located within a reasonable distance;

“(ii) instead of discontinuing the post office—

“(I) to reduce the number of hours a day that the post office operates; or

“(II) to continue operating the post office for the same number of hours a day;

“(iii) to procure a contract providing full, or less than full, retail postal services in the community served by the post office; or

“(iv) to provide postal services to the community served by the post office—

“(I) through a letter carrier utilizing mobile technologies, as feasible;

“(II) by colocating postal services at a commercial or government entity; or
“(III) by implementing an alternative proposal made by a local government under subparagraph (B)(iii);

“(B) provide—

“(i) relevant information on financial costs associated with the operations of the post office to postal customers and local governments served by the post office;

“(ii) postal customers served by the post office an opportunity to present their views, which may be by nonbinding survey conducted by mail; and

“(iii) local governments served by the post office an opportunity to present alternative proposals for providing postal services to the community, including the furnishing of property or services to the Postal Service to maintain the same level of postal services in the community; and

“(C) if the Postal Service determines to discontinue the post office, provide adequate public notice of its intention to discontinue the post office at least 60 days prior to the proposed date of the discontinuance to persons and local governments served by the post office.
“(3) CONSIDERATIONS.—The Postal Service, in making a determination whether or not to discontinue a post office—

“(A) shall consider—

“(i) the effect of the discontinuance on the community served by the post office;

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

“(iii) the effect of the discontinuance on employees of the Postal Service employed at the post office;

“(iv) whether the discontinuance would have a significant adverse effect on regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining;

“(v) the extent to which the community served by the post office lacks access to Internet, broadband, or cellular telephone service;

“(vi) the extent to which postal customers served by the post office would continue after the discontinuance to receive
substantially similar access to essential items, such as prescription drugs and time-sensitive communications;

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

“(viii) whether substantial economic savings to the Postal Service would result from the discontinuance; and

“(ix) any other factors that the Postal Service determines are necessary;

“(B) may not consider compliance with any provision of the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.); and

“(C) may not make a determination to discontinue a post office unless the Postal Service—

“(i)(I) determines that postal customers served by the post office would continue after the discontinuance to receive substantially similar access to essential items, such as prescription medications and time-sensitive communications, that are sent through the mails; or
“(II) takes action to substantially ameliorate any projected reduction in access to essential items described in clause (i); and

“(ii) determines that—

“(I) there is unlikely to be substantial economic loss to the community served by the post office as a result of the discontinuance; and

“(II) the area served by the post office has adequate access to broadband Internet service, as identified on the National Broadband Map of the National Telecommunications and Information Administration.

“(4) Written determination and findings.—

“(A) In general.—Any determination of the Postal Service to discontinue a post office shall—

“(i) be in writing; and

“(ii) include the findings of the Postal Service with respect to the considerations required to be made under paragraph (3).
“(B) Availability of findings.—The Postal Service shall make available, to persons served by a post office that the Postal Service determines to discontinue, any determination and findings under subparagraph (A) with respect to that post office.

“(C) Notice before discontinuance.—The Postal Service may not take any action to discontinue a post office until 60 days after the date on which the Postal Service makes available, to persons served by the post office, the written determination and findings with respect to the post office as required under subparagraph (B).

“(5) Reductions in hours of operation.—

“(A) Considerations.—The Postal Service, prior to making a determination under paragraph (2)(A)(ii)(I) to reduce the number of hours per day that a post office operates, shall consider—

“(i) the impact of the proposed reduction in hours on local businesses;

“(ii) the effect of the proposed reduction in hours on the community served by the post office;
“(iii) the ability of the Postal Service to hire qualified employees to operate the post office during the reduced hours;

“(iv) the proximity and accessibility of other post offices within 15 miles of the post office, and the hours those post offices are open;

“(v) the impact of the proposed reduction in hours on the elderly and other vulnerable populations; and

“(vi) the impact of alternative schedules on the community served by the post office, including consideration of which schedules would most effectively mitigate any negative impacts identified under clauses (i) through (v).

“(B) FINDINGS.—If the Postal Service determines, after considering the factors under subparagraph (A), to reduce the number of hours per day that a post office operates, the Postal Service shall make available to persons served by the post office—

“(i) a summary of the findings of the Postal Service under subparagraph (A);
“(ii) the hours during which the post office will be open; and

“(iii) an explanation of the change in hours referred to in clause (ii).”;

(4) in paragraph (6), as so designated—

(A) by striking “close or consolidate” and inserting “discontinue”;

(B) by striking “under paragraph (3)” and inserting “under paragraph (4)”;

(C) by moving subparagraphs (A), (B), and (C) 2 ems to the right; and

(D) by moving the flush text following subparagraph (C) 2 ems to the right;

(5) in paragraph (7), as so designated, by moving subparagraphs (A) and (B) 2 ems to the right; and

(6) by adding at the end the following:

“(8) MINIMUM RETAIL STANDARDS.—The Postal Service shall establish minimum standards for retail postal services.”.

(c) REPORT ON POST OFFICE DISCONTINUANCES.—

(1) DEFINITION.—In this subsection, the term “moratorium” means the 5-year period described in subsection (a).
(2) REPORT REQUIRED.—Not later than 6 years after the expiration of the moratorium, the Inspector General of the Postal Service shall submit to each recipient described in paragraph (3) a consolidated report that describes, for each post office that was discontinued under section 404 of title 39, United States Code, (as amended by subsection (b)) during the 5-year period beginning on the day after the expiration of the moratorium—

(A) the actual cost savings resulting from the discontinuance; and

(B) a comparison between the findings described in subparagraph (A) and the cost savings that the Postal Service predicted would result from the discontinuance.

(3) RECIPIENTS.—The recipients described in this paragraph are—

(A) the Postal Regulatory Commission;
(B) the Board of Governors;
(C) the Committee on Homeland Security and Governmental Affairs of the Senate;
(D) the Committee on Oversight and Government Reform of the House of Represent-atives;
(E) the Member of the House of Representatives in whose district the post office was located; and

(F) the Senators in whose State the post office was located.

SEC. 204. AREA AND DISTRICT OFFICE STRUCTURE.

(a) DEFINITIONS.—In this section—

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

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

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

(b) PLAN REQUIRED.—Not later than 1 year after the date of enactment of this Act, the Postal Service shall
submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a comprehensive strategic plan for an area office and district office structure that will—

(1) be efficient and cost effective;

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

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

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

(d) STATE LIAISON.—If the Postal Service does not maintain a district office in a State, the Postal Service shall designate at least 1 employee of the district office responsible for Postal Service operations in the State to represent the needs of Postal Service customers in the State. An employee designated under this subsection to represent the needs of Postal Service customers in a State shall be located in that State.
SEC. 205. SERVICE STANDARDS AND PERFORMANCE RATINGS.

(a) Service Standards and Performance Ratings.—

(1) IN GENERAL.—Section 3691 of title 39, United States Code, is amended to read as follows:

“§ 3691. Modern service standards and performance ratings

“(a) DEFINITIONS.—In this section—

“(1) the term ‘Commission’ means the Postal Regulatory Commission;

“(2) the term ‘national service standards’ means the service standards established by the Commission under subsection (b);

“(3) the term ‘performance targets’ means the targets established by the Commission under subsection (e)(1)(A); and

“(4) the terms ‘urban’, ‘suburban’, and ‘rural’ have the meanings given those terms under regulations promulgated by the Commission under subsection (e)(1)(B).

“(b) AUTHORITY GENERALLY.—

“(1) ESTABLISHMENT; REVISION.—The Postal Service, in consultation with the Commission as provided under paragraph (2), shall by regulation establish and regularly revise a uniform set of national
service standards for market-dominant products
based on—

“(A) the finances of the Postal Service;

“(B) the ability of the Postal Service to meet the national service standards; and

“(C) the ability of Postal Service customers to receive fair and reliable service.

“(2) PRC ADVISORY OPINION.—

“(A) REQUEST FOR ADVISORY OPINION.—
If the Postal Service determines that there should be a change in the national service standards, the Postal Service shall submit a proposal to the Commission requesting an advisory opinion on the change in accordance with subparagraph (B)

“(B) APPLICABILITY OF SECTION 3661.—
Section 3661 shall apply to a request for an advisory opinion under subparagraph (A) of this paragraph, except that the Postal Service may not implement a proposed national service standard earlier than the date that is 60 days after the date on which the Postal Service submits to the President and Congress the response to the advisory opinion of the Commis-
tion on the proposal required under section 3661(b)(3).

“(c) OBJECTIVES.—The national service standards shall be designed to achieve the following objectives:

“(1) To ensure that the Postal Service meets the universal service obligation, including the obligation to preserve regular and effective access to postal services in all communities, including those in rural areas or where post offices are not self-sustaining.

“(2) To enhance the value of postal services to both senders and recipients.

“(3) To reasonably assure Postal Service customers delivery reliability, speed and frequency consistent with reasonable rates and best business practices.

“(4) To provide a system of objective performance measurements for each market-dominant product as a basis for measurement of Postal Service performance, in accordance with subsection (e).

“(5) To ensure that performance is as strong as possible under the applicable national service standard.

“(d) FACTORS.—In establishing or revising the national service standards, the Postal Service shall take into account—
“(1) the actual level of service that Postal Service customers receive under any service guidelines previously established by the Postal Service or service standards established under this section;

“(2) the degree of customer satisfaction with Postal Service performance in the acceptance, processing, and delivery of mail;

“(3) the needs of Postal Service customers, including those with physical impairments;

“(4) mail volume and revenues projected for future years;

“(5) the projected growth in the number of addresses the Postal Service will be required to serve in future years;

“(6) the current and projected future cost of serving Postal Service customers;

“(7) the effect of changes in technology, demographics, and population distribution on the efficient and reliable operation of the postal delivery system; and

“(8) the policies of this title and such other factors as the Postal Service determines appropriate.

“(e) PERFORMANCE TARGETS, RATINGS, AND PUBLICATION.—

“(1) PERFORMANCE TARGETS.—
“(A) ANNUAL PERFORMANCE TARGETS.—

Each year, the Commission, in consultation with the Postal Service, shall by regulation establish reasonable targets for performance to ensure that mail service for all postal customers meets the national service standards.

“(B) DEFINITION OF URBAN, SUBURBAN, AND RURAL.—For purposes of establishing performance targets, the Commission—

“(i) shall promulgate regulations to define the terms ‘urban’, ‘suburban’, and ‘rural’;

“(ii) in defining the terms under clause (i), shall—

“(I) consider—

“(aa) the recommendations of the report submitted to the Commission under section 201(e) of the Improving Postal Operations, Service, and Transparency Act of 2015; and

“(bb) existing definitions of those terms that are in use by the Postal Service, the Federal
Government, and other sources;
and
“(II) incorporate stakeholder input; and
“(iii) shall categorize each 3-digit zip code area as an urban, suburban, or rural community.

“(2) PERFORMANCE RATINGS.—The Commission shall rate the performance of the Postal Service with respect to—

“(A) each 3-digit zip code area, postal district, and operational area;

“(B) all postal districts—

“(i) by urban, suburban, or rural category; and

“(ii) nationwide;

“(C) all operational areas—

“(i) by urban, suburban, or rural category; and

“(ii) nationwide;

“(D) market-dominant products nationwide; and

“(E) first-class mail nationwide.

“(3) PUBLICATION.—
“(A) IN GENERAL.—Subject to subparagraph (B), the Postal Service shall publish on the website of the Postal Service the ratings recorded under paragraph (2)—

“(i) covering a period of not less than 24 months; and

“(ii) categorized in accordance with that paragraph.

“(B) COMMERCIAL SENSITIVE OR PROPRIETARY INFORMATION.—To the extent that the Postal Service considers any information required to be reported under subparagraph (A) to be commercially sensitive or proprietary in nature, the Commission shall determine the level of information that shall be publicly disclosed.

“(f) REVIEW UPON COMPLAINT.—The regulations promulgated pursuant to this section (and any revisions thereto), and any violations thereof, shall be subject to review upon complaint under sections 3662 and 3663.

“(g) NONCOMPLIANCE WITH PERFORMANCE TARGETS.—

“(1) IN GENERAL.—If the Postal Service fails to meet the performance targets, the Commission shall require the Postal Service to develop a plan to
make specific operational corrections under the control of the Postal Service that will cause the performance targets to be met within 1 year of the date of noncompliance.

“(2) Postal service submission of plan.—
Not later than 180 days after the date of noncompliance, the Postal Service shall submit the plan required under paragraph (1) to the Commission.

“(3) Commission consideration of postal service plan.—

“(A) In general.—The Commission shall determine whether the plan submitted by the Postal Service under paragraph (2) is sufficient to improve performance to meet the performance targets.

“(B) Remand.—If the Commission determines under subparagraph (A) that the Postal Service plan is not sufficient, the Commission may remand the plan to the Postal Service for revision.

“(C) Revision.—If the Commission remands a plan to the Postal Service under subparagraph (B), the Postal Service shall have 30 days to revise and resubmit the plan to the Commission.
“(4) Postal service implementation of plan.—Not later than 180 days after the date on which the Commission approves a plan of the Postal Service under paragraph (3), the Postal Service shall fully implement the plan.

“(h) Periodic review of service standards.—The Commission shall periodically—

“(1) review the appropriateness of the national service standards; and

“(2) submit to Congress a report on the review conducted under paragraph (1).”.

(2) Technical and conforming amendment.—The table of sections for subchapter VII of chapter 36 of title 39, United States Code, is amended by striking the item relating to section 3691 and inserting the following:

“3691. Modern service standards and performance ratings.”.

(b) Report to Congress.—Not later than 180 days after the date on which the report is submitted to the Commission under section 201(c)(2), the Commission shall submit to Congress an extensive report that includes—

(1) a determination as to whether the service standards for market-dominant products in effect on the day before the date of enactment of this Act achieve the objectives and factors set forth under
section 3691 of title 39, United States Code, as amended by this section; and

(2) recommendations as to how delivery service to postal customers could be improved based on the financial condition of the Postal Service.

(c) TEMPORARY FLOOR FOR SERVICE STANDARDS.—

(1) IN GENERAL.—Subject to paragraph (2), during the 5-year period beginning on the date of enactment of this Act, the Postal Service may not revise the service standards for market-dominant products in a manner that lengthens delivery times.

(2) AUTHORITY OF COMMISSION TO EXTEND TEMPORARY FLOOR.—The Commission may extend the 5-year period described in paragraph (1) by any length of time that the Commission determines appropriate if, as of the last day of that period, the Commission determines that the Postal Service is not meeting the performance targets established under subsection (e) of section 3691 of title 39, United States Code, as added by this section.

SEC. 206. CONVERSION OF DOOR DELIVERY POINTS.

(a) VOLUNTARY NATURE OF DELIVERY CONVERSION.—Nothing in section 3692 of title 39, United States Code, as added by subsection (b), shall be construed to authorize the Postal Service to convert the primary mode
of mail delivery of a postal customer without the consent
of the postal customer.

(b) Amendment to Title 39, United States
Code.—

(1) In general.—Subchapter VII of chapter
36 of title 39, United States Code, is amended by
adding at the end the following:

§ 3692. Delivery point modernization

(a) Definitions.—In this section, the following
definitions shall apply:

“(1) Centralized delivery.—The term ‘cen-
tralized delivery’ means a primary mode of mail de-
livery whereby mail is delivered to a group or cluster
of mail receptacles at a single location.

“(2) Curbside delivery.—The term ‘curbside
delivery’ means a primary mode of mail delivery
whereby mail is delivered to a mail receptacle that
is situated at the edge of a public sidewalk abutting
a road or curb, at a road, or at a curb.

“(3) Delivery point.—The term ‘delivery
point’ means a mailbox or other receptacle to which
mail is delivered.

“(4) District office.—The term ‘district of-
ifice’ means the central office of an administrative
field unit with responsibility for postal operations in
a designated geographic area (as defined under regulations, directives, or other guidance of the Postal Service).

“(5) Door delivery.—The term ‘door delivery’—

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

“(i) delivered to a mail receptacle at or near a postal customer’s door; or

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

“(B) does not include curbside or centralized delivery.

“(6) Primary mode of mail delivery.—The term ‘primary mode of mail delivery’ means the typical method by which the Postal Service delivers mail to the delivery point of a postal customer.

“(b) Policy.—Except as otherwise provided in this section, including paragraphs (4) and (5) of subsection (c), it shall be the policy of the Postal Service to use the primary mode of mail delivery that is most cost effective and is in the best long-term interest of the Postal Service.

“(c) Conversion to other delivery modes.—

“(1) New addresses.—Except as provided in paragraphs (4) and (5), the Postal Service shall pro-
vide centralized delivery to new addresses established
after the date of enactment of the Improving Postal
Operations, Service, and Transparency Act of 2015,
or if centralized delivery is not practicable shall pro-
vide curbside delivery.

“(2) BUSINESS ADDRESS CONVERSION.—The
Postal Service shall carry out a program to convert,
on a voluntary basis, business addresses with door
delivery on the date of enactment of the Improving
Postal Operations, Service, and Transparency Act of
2015 to centralized delivery or to curbside delivery.

“(3) RESIDENTIAL ADDRESS CONVERSION.—

“(A) IDENTIFICATION.—Not later than
270 days after the date of enactment of the Im-
proving Postal Operations, Service, and Trans-
parency Act of 2015, the head of each district
office of the Postal Service shall identify resi-
dential addresses within the service area of the
district office that are appropriate candidates
for conversion from door delivery to a more
cost-effective primary mode of delivery, in ac-
cordance with standards established by the
Postal Service.

“(B) VOLUNTARY CONVERSION.—Not later
than 1 year after the date of enactment of the
Improving Postal Operations, Service, and Transparency Act of 2015, and consistent with subsection (b) and paragraph (4), the Postal Service shall begin implementation of a program to convert, on a voluntary basis, the addresses identified under subparagraph (A) from door delivery to a more cost-effective primary mode of delivery.

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

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

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

“(4) EXCEPTIONS.—In establishing a primary mode of mail delivery for new addresses under paragraph (1) or converting the primary mode of mail delivery for an address under paragraph (2) or (3), the Postal Service may provide door delivery if—
“(A) a physical barrier precludes the efficient provision of centralized delivery or curbside delivery;

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

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

“(5) WAIVER FOR PHYSICAL HARDSHIP.—

“(A) IN GENERAL.—The Postal Service shall establish and maintain a waiver program under which, upon the application of a postal customer, door delivery may be continued or provided to a delivery point if—

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

“(ii) a physical hardship prevents the postal customer from receiving his or her
mail through any other form of mail delivery.

“(B) PUBLICITY; SIMPLICITY.—In establishing and maintaining the waiver program under subparagraph (A), the Postal Service shall—

“(i) publicize the waiver program; and

“(ii) provide a simple application process for participation in the waiver program.

“(C) POSTAL SERVICE DISCRETION.—Nothing in this paragraph shall be construed to—

“(i) prohibit the Postal Service from requiring evidence of a physical hardship in an appropriate case; or

“(ii) require the Postal Service to require evidence of a physical hardship in any case.

“(D) NO FEES FOR APPLICATION OR DOOR DELIVERY.—In establishing and maintaining the waiver program under subparagraph (A), the Postal Service may not charge a postal customer any fee to—

“(i) apply for a waiver; or
“(ii) upon the granting of a waiver by the Postal Service, receive mail through door delivery.”

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

“3692. Delivery point modernization.”

SEC. 207. FLEET MAINTENANCE REPORTING AND ALTERNATIVE FUEL AND EMERGING TECHNOLOGIES DEMONSTRATION PROGRAM.

(a) DEFINITIONS.—In this section—

(1) the term “alternative fuel infrastructure” means motor vehicle fueling infrastructure and equipment capable of providing alternative fuel for an alternative fuel vehicle;

(2) the term “alternative fuel vehicle” means a motor vehicle that uses—

(A) electricity, including a—

(i) plug-in electric vehicle; or

(ii) hybrid electric vehicle;

(B) natural gas;

(C) propane;

(D) hydrogen; or

(E) biodiesel, using a B20 minimum standard or better;
(3) the term “emerging technologies” includes—
   (A) collision aversion technologies; and
   (B) vehicle designs that address geographic and weather conditions; and
(4) the term “pilot program” means the pilot program implemented under subsection (b)(1).

(b) IMPLEMENTATION; DURATION.—
   (1) IMPLEMENTATION.—Not later than 180 days after the date of enactment of this Act, the Postal Service shall implement a pilot program to assess the feasibility of integrating alternative fuel vehicles and emerging technologies into the postal fleet.
   (2) DURATION.—The Postal Service shall carry out the pilot program for a period of not less than 1 year.
   (c) LOCATIONS.—The Postal Service shall deploy and assess 2 types of alternative fuel vehicles described in subparagraphs (A) through (F) of subsection (a)(2), that are not being deployed or assessed as of the date of enactment of this Act, and any relevant emerging technologies, in the postal fleet in not fewer than 2 locations that—
(1) have existing or planned alternative fuel infrastructure appropriate to the alternative fuel vehicle being assessed under the pilot program;

(2) have support from the applicable State and local governments and other stakeholders, including utility companies; and

(3) demonstrate a commitment to alternative fuel vehicle uptake and deployment.

(d) REINVESTMENT OF COST SAVINGS.—The Postal Service shall use any cost savings from the pilot program—

(1) to repay any obligation issued under section 2005(a) of title 39, United States Code; and

(2) after repaying any obligation described in paragraph (1), to fund innovation efforts for market-dominant products of the Postal Service.

(e) REPORT.—Not later than 90 days after the date on which the Postal Service terminates the pilot program, the Postal Service shall complete and submit to Congress a report on the results of the pilot program, including an assessment of the feasibility of integrating alternative fuel vehicles into the postal fleet in conjunction with the future acquisition of the Next Generation of Delivery Vehicles (commonly known as “NGDV”), including assessments of—
(1) the ability of alternative fuel vehicles to—

(A) reduce the cost of vehicle operation, including fuel costs and other operation and maintenance costs, in the postal fleet;

(B) improve the environmental performance of vehicles in the postal fleet, including by reducing air emissions to comply with standards established by the Administrator of the Environmental Protection Agency under the Clean Air Act (42 U.S.C. 7401 et seq.);

(C) create an alternative source of revenue for the Postal Service; and

(D) provide additional economic and environmental benefits to the communities surrounding the pilot sites; and

(2) the availability of alternative fuel infrastructure to support an expanded integration of alternative fuel vehicles into the postal fleet.

(f) FLEET MODERNIZATION.—

(1) GAO REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall study and submit to Congress a report on—

(A) the feasibility of the Postal Service designing mail delivery vehicles that are equipped
for diverse geographic conditions such as travel
in rural areas and extreme weather conditions;
and
(B) the feasibility and cost of the Postal
Service integrating the use of collision-averting
technology into its vehicle fleet.

(2) POSTAL SERVICE REPORT.—Not later than
1 year after the date of enactment of this Act, the
Postal Service shall submit to Congress a report
that includes—

(A) a review of the efforts of the Postal
Service relating to fleet replacement and mod-
ernization; and

(B) a strategy for carrying out the fleet re-
placement and lifecycle plan of the Postal Serv-
ice.

SEC. 208. MULTI-BROKER LEASE OF POSTAL SERVICE FA-
CILITIES.

(a) In general.—Chapter 20 of title 39, United
States Code, is amended by adding at the end the fol-
lowing:

“§ 2012. Multi-broker lease of Postal Service facilities

“(a) Definition.—In this section, the term ‘multi-
broker contract vehicle’ means a contract vehicle, similar
to the National Broker Contract used by the General Serv-
ices Administration, that encourages competition through
the use of multiple national real estate companies.

“(b) REQUIREMENT TO USE MULTI-BROKER
LEASE.—

“(1) IN GENERAL.—Except as provided in para-
graph (2), the Postal Service shall use a multi-
broker contract vehicle to acquire any leased prop-
erty.

“(2) EXCEPTION.—Paragraph (1) shall not
apply to a leased property—

“(A) that the Postal Service acquired be-
fore the date of enactment of the Improving
Postal Operations, Service, and Transparency
Act of 2015; and

“(B) the lease for which the Postal Service
renews, using its own resources, on or after the
date of enactment of the Improving Postal Op-
erations, Service, and Transparency Act of
2015.”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—
The table of sections for chapter 20 of title 39, United
States Code, is amended by adding at the end the fol-
lowing:

“2012. Multi-broker lease of Postal Service facilities.”.

SEC. 209. CAPITOL COMPLEX POST OFFICES.

(a) HOUSE OF REPRESENTATIVES.—
(1) In General.—The Postal Service shall not maintain or operate more than 1 post office in the United States Capitol Complex, as defined in section 310(a)(3)(B) of the Legislative Branch Appropriations Act, 1990 (2 U.S.C. 2172(a)(3)(B)), which shall be located in a House Office Building.

(2) Closing of Capitol Post Offices.—The Postal Service shall close any post office in the United States Capitol Complex, as defined in section 310(a)(3)(B) of the Legislative Branch Appropriations Act, 1990 (2 U.S.C. 2172(a)(3)(B)), not permitted under this subsection, without regard to the requirements under section 404(d) of title 39, United States Code.

(b) Senate.—

(1) In General.—The Sergeant at Arms and Doorkeeper of the Senate may not enter into, modify, or renew a contract with the Postal Service to maintain or operate more than 1 post office in a Senate Office Building.

(2) Existing Contracts.—Nothing in paragraph (1) may be construed to affect a contract entered into by the Sergeant at Arms and Doorkeeper of the Senate and the Postal Service before the date of enactment of this Act.
TITLE III—POSTAL SERVICE
REVENUE AND INNOVATION

SEC. 301. RATES.

(a) Establishment of Rate Baseline and Temporary Freeze.—The rates for market-dominant products in effect on September 30, 2015—

(1) shall be in effect on and after the date of enactment of this Act unless adjusted in accordance with section 3622 of title 39, United States Code, as amended by subsection (b)(2) of this section; and

(2) may not be adjusted before January 1, 2018.

(b) Establishment of New System.—

(1) In general.—Not later than January 1, 2018, the Commission—

(A) shall by regulation establish a new system for regulating rates and classes for market-dominant products under section 3622 of title 39, United States Code, as amended by paragraph (2) of this subsection; and

(B) in establishing the new system, may consider any rate increases that, but for the prohibition on adjustments to rates under subsection (a)(2) of this section, might have been...
applied during the period during which the prohibition was in effect.

(2) NEW PRINCIPLES.—Section 3622(c) of title 39, United States Code, is amended—

(A) in paragraph (13), by striking “and” at the end;

(B) by redesignating paragraph (14) as paragraph (15); and

(C) by inserting after paragraph (13) the following:

“(14) the service standards established under section 3691 and the extent to which the Postal Service is meeting those standards in all communities, including urban, suburban, and rural communities; and”.

SEC. 302. POSTAL COSTING SYSTEM.

Not later than 1 year after the date of enactment of this Act, the Commission, in consultation with the Postal Service and in conjunction with the establishment of a new system for regulating rates and classes for market-dominant products under section 3622 of title 39, United States Code (as amended by section 301(b)(2) of this Act), shall by regulation direct the Postal Service to update its existing costing methodologies as necessary and appropriate to effectuate the changes to mail processing
technologies and cost tracking that have occurred in recent years or are reasonably expected to occur in the foreseeable future.

SEC. 303. NONPOSTAL SERVICES.

(a) Authorization of New Nonpostal Services.—

(1) In general.—Section 404 of title 39, United States Code, as amended by this Act, is amended—

(A) in subsection (a)—

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

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

“(6) on and after the date of enactment of the Improving Postal Operations, Service, and Transparency Act of 2015, except as provided in subsection (e) and subject to subsection (h)—

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

“(i) uses the processing, transportation, delivery, retail network, or technology of the Postal Service;
“(ii) is consistent with the public interest and demonstrated likely public demand for—

“(I) the Postal Service, rather than another entity, to provide the services; or

“(II) the Postal Service, in addition to or in partnership with another entity, to provide the services;

“(iii) would not create unfair competition with the private sector, taking into consideration the extent to which the Postal Service will not, either by legal obligation or voluntarily, comply with any State or local laws or requirements generally applicable to the provision of such services;

“(iv) does not unreasonably interfere with or detract from the value of postal services, including—

“(I) the cost and efficiency of postal services; and

“(II) access to postal retail service;

“(v) will be undertaken in accordance with all Federal laws and regulations app-
applicable to the provision of such services; and

“(vi) is reasonably expected to im-
prove the net financial position of the
Postal Service, based on a market analysis
carried out by or on behalf of the Postal
Service; and

“(B) to classify a service provided under
subsection (A) as an experimental product
subject to section 3641;”;

(B) in subsection (e)(1), by inserting “and
that was offered by the Postal Service on the
date of enactment of the Improving Postal Op-
erations, Service, and Transparency Act of
2015” after “102(5)”; and

(C) by adding at the end the following:

“(g) TREATMENT OF NEW NONPOSTAL SERVICES.—
For purposes of chapters 20 and 36 of this title, nonpostal
services provided under subsection (a)(6) shall be treated
as competitive products.

“(h) FEDERAL REGULATION OF NEW NONPOSTAL
SERVICES.—The Postal Service shall ensure that any non-
postal service provided under subsection (a)(6) that is oth-
otherwise subject to the jurisdiction and regulation of a Fed-
eral regulatory agency remains subject to the jurisdiction
and regulation of the Federal regulatory agency notwith-
standing the fact that the nonpostal service is provided
by the Postal Service.”.

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

(3) MARKET ANALYSIS.—During the 5-year pe-
riod beginning on the date of enactment of this Act,
not later than 7 days after the date on which any
market analysis conducted under section
404(a)(6)(A)(vi) of title 39, United States Code, as
amended by this section, is completed, the Postal
Service shall submit a copy of the market analysis
to—

(A) the Commission;

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

(C) the Committee on Oversight and Gov-
ernment Reform of the House of Representa-
tives.

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

(1) in the second sentence, by striking “this
section” and inserting “this subsection”;
(2) by striking “Executive agencies” and inserting “(a) FEDERAL GOVERNMENT.—Executive agencies”; and

(3) by adding at the end the following:

“(b) STATE, LOCAL, AND TRIBAL GOVERNMENTS.—

“(1) AUTHORITY OF POSTAL SERVICE.—The Postal Service is authorized to furnish property and services to States, local governments, and tribal governments, under such terms and conditions as the Postal Service and the applicable State, local government, or tribal government shall determine appropriate.

“(2) DEFINITIONS.—For purposes of this subsection—

“(A) the term ‘local government’ means—

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

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

“(iii) a rural community, an unincorporated town or village, or an instrumen-
tality of a rural community or an unincorporated town or village;

“(B) the term ‘State’ includes the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States; and

“(C) the term ‘tribal government’ means the government of an Indian tribe, as that term is defined in section 4(e) of the Indian Self-Determination Act (25 U.S.C. 450b(e)).

“(c) REPORT.—The Postal Service shall submit to the Postal Regulatory Commission, together with the report required under section 3652, a report that details the costs and revenues of the property and services furnished by the Postal Service under this section during the period covered by the report required under section 3652.

“(d) REIMBURSEMENT DETERMINATION.—In determining the possibility for reimbursement under subsections (a) and (b), the Postal Service shall ensure that each property or service furnished under such subsections covers its costs attributable, as that term is defined in section 3631(b).”.

(e) CONFORMING AMENDMENTS.—
(1) Section 404(e) of title 39.—Section 404(e) of title 39, United States Code, is amended—

(A) by striking “(e)(1) In this” and inserting the following:

“(e) Previously Offered Nonpostal Services.—

“(1) Definition.—In this’’;

(B) in paragraph (2), by striking “(2) Nothing” and inserting the following:

“(2) Eligible Nonpostal Services.—Nothing’’;

(C) in paragraph (3)—

(i) by striking “(3) Not” and inserting the following:

“(3) Review of Nonpostal Services.—Not’’;

and

(ii) by moving subparagraphs (A) and

(B) 2 ems to the right;

(D) in paragraph (4), by striking “(4) Any” and inserting the following:

“(4) Termination.—Any”; and

(E) by striking paragraph (5) and inserting the following:

“(5) Designation.—Each nonpostal service

authorized under this subsection shall be designated
as market-dominant or competitive based on the designation of the nonpostal service in the Mail Classification Schedule as in effect on the date of enactment of the Improving Postal Operations, Service, and Transparency Act of 2015.

“(6) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to prevent the Postal Service from providing nonpostal services under subsection (a)(6).”.

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

(A) in subsection (b)(1), by inserting “(or the appropriate consumers in the case of non-postal services)” after “users”;

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

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

(D) in subsection (e)(1), by striking “$10,000,000” and inserting “$50,000,000”;

and

(E) in subsection (e)(2), by striking “$50,000,000” and inserting “$100,000,000”.
(3) **Technical and Conforming Amendments.**—Section 2003(b)(1) of title 39, United States Code, is amended by striking “postal and nonpostal services” and inserting “postal services, nonpostal services authorized under section 404(e), and property and services authorized under section 411,”.

(d) **Assessment of Wi-Fi Feasibility.**—

   (1) **In General.**—The Inspector General of the Postal Service shall assess the feasibility of the Postal Service providing unique services in urban and rural communities, such as providing wireless broadband Internet access service at post offices.

   (2) **No Unfair Competition.**—The assessment conducted under paragraph (1) shall take into account the requirement under section 404(a)(6)(A)(iii) of title 39, United States Code (as added by subsection (a)), that the Postal Service, in providing new nonpostal services, may not create unfair competition with the private sector.

**SEC. 304. SHIPPING OF WINE, BEER, AND DISTILLED SPIRITS.**

   (a) **Mailability.**—

   (1) **NonMailable Articles.**—Section 1716(f) of title 18, United States Code, is amended by strik-
ing “mails” and inserting “mails, except to the ex-
tent that the mailing is allowable under section
3001(p) of title 39”.

(2) Application of Laws.—Section 1161 of
title 18, United States Code, is amended by insert-
ing “, and, with respect to the mailing of distilled
spirits, wine, or malt beverages (as those terms are
defined in section 117 of the Federal Alcohol Admin-
istration Act (27 U.S.C. 211)), is in conformity with
section 3001(p) of title 39” after “Register”.

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

“(p)(1) In this subsection, the terms ‘distilled spirits’,
‘wine’, and ‘malt beverage’ have the same meanings as in
section 117 of the Federal Alcohol Administration Act (27

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

“(A) in accordance with the laws and regula-
tions of—

“(i) the State, territory, or district of the
United States where the sender or duly author-
ized agent initiates the mailing; and
“(ii) the State, territory, or district of the United States where the addressee or duly authorized agent takes delivery; and

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

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

“(ii) the duly authorized agent of whom—

“(I) is at least 21 years of age; and

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

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

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

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

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

(d) NO PREEMPTION OF STATE, LOCAL, OR TRIBAL LAWS PROHIBITING DELIVERIES, SHIPMENTS, OR SALES.—Nothing in this section, the amendments made
by this section, or any regulation promulgated under this section or the amendments made by this section, shall be construed to preempt, supersede, or otherwise limit or restrict any State, local, or tribal law that prohibits or regulates the delivery, shipment, or sale of distilled spirits, wine, or malt beverages (as those terms are defined in section 117 of the Federal Alcohol Administration Act (27 U.S.C. 211)).

SEC. 305. CHIEF INNOVATION OFFICER; INNOVATION STRATEGY.

(a) CHIEF INNOVATION OFFICER.—

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

“§ 209. Chief innovation officer

“(a) ESTABLISHMENT.—There shall be in the Postal Service a Chief Innovation Officer appointed by the Postmaster General from among officers and employees of the Postal Service.

“(b) QUALIFICATIONS.—The Chief Innovation Officer shall have proven expertise and a record of accomplishment in areas such as—

“(1) business process management;

“(2) the postal and shipping industry;
“(3) innovative product research and development;

“(4) brand marketing strategy; or

“(5) new and emerging technology, including communications technology.

“(c) DUTIES.—The Chief Innovation Officer shall lead the development and implementation of—

“(1) innovative postal products and services, particularly products and services that use new and emerging technology, including communications technology, to improve the net financial position of the Postal Service; and

“(2) nonpostal services authorized under section 404(a)(6) that have the potential to improve the net financial position of the Postal Service.”.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 2 of title 39, United States Code, is amended by adding at the end the following:

“209. Chief Innovation Officer.”.

(3) DEADLINE.—Not later than 90 days after the date of enactment of this Act, the Postmaster General shall appoint a Chief Innovation Officer under section 209 of title 39, United States Code, as added by paragraph (1).
(4) **Existing resources.**—The Postal Service shall fund the office of the Chief Innovation Officer established under section 209 of title 39, United States Code, as added by paragraph (1), using existing resources.

(b) **Innovation strategy.**—

(1) **Initial report on innovation strategy.**—

(A) in general.—Not later than 270 days after the date of enactment of this Act, the Postmaster General, acting through the Chief Innovation Officer, shall submit a report that contains a comprehensive strategy (referred to in this subsection as the “innovation strategy”) for improving the net financial position of the Postal Service through innovation, including the offering of new postal and non-postal services, to—

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

(ii) the Committee on Oversight and Government Reform of the House of Representatives.
(B) MATTERS TO BE ADDRESSED.—At a minimum, the report on innovation strategy required under subparagraph (A) shall describe—

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

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

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

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

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

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

(v) the likelihood of success of each product or service and the risks associated with the development and sale of each product or service;

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

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

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

(2) ANNUAL REPORT.—

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

(i) the Committee on Homeland Secu-

rity and Governmental Affairs of the Sen-
ate; and
(ii) the Committee on Oversight and Government Reform of the House of Representatives.

(B) Matters to be addressed.—At a minimum, an annual report submitted under subparagraph (A) shall include—

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

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

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

(I) the revenue generated by each product or service developed in accordance with the innovation strategy under this section and the cost of developing and offering each product or service for the preceding year;
(II) trends in each market in which a product or service is intended to satisfy a demand;

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

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

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

(VI) the performance of the innovation strategy according to the metrics described in paragraph (1)(B)(viii).
SEC. 306. STRATEGIC ADVISORY COMMISSION ON POSTAL SERVICE SOLVENCY, SERVICE, AND INNOVATION.

(a) Establishment.—

(1) In general.—There is established in the executive branch a Strategic Advisory Commission on Postal Service Solvency, Service, and Innovation (referred to in this section as the “Advisory Commission”).

(2) Independence.—The Advisory Commission shall not be subject to the supervision of the Board of Governors of the Postal Service (referred to in this section as the “Board of Governors”), any Executive Committee established under section 202(i) of title 39, United States Code, the Postmaster General, or any other officer or employee of the Postal Service.

(b) Purpose.—The purpose of the Advisory Commission is to—

(1) provide strategic guidance to the President, Congress, the Board of Governors, the Postmaster General, and the Chief Innovation Officer on enhancing the long-term solvency of the Postal Service; and
(2) foster innovative thinking to address the challenges facing the Postal Service without unfairly competing with the private sector.

c) MEMBERSHIP.—

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

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

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

(i) the majority leader of the Senate;

(ii) the minority leader of the Senate;

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

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

(2) QUALIFICATIONS.—Members of the Advisory Commission shall have—

(A) recognized and significant experience in such fields as business, technology, and public administration;

(B) a documented record of innovative thinking;
(C) familiarity with new and emerging technologies; and

(D) experience with revitalizing organizations, corporations, or communities that experienced significant financial challenges or other challenges.

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

(4) DEADLINE FOR APPOINTMENT.—Each member of the Advisory Commission shall be appointed not later than 60 days after the date of enactment of this Act.

(5) MEETINGS; QUORUM; VACANCIES.—

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

(B) QUORUM.—4 members of the Advisory Commission shall constitute a quorum.
(C) VACANCIES.—Any vacancy in the Advisory Commission shall not affect the powers of the Advisory Commission, but shall be filled as soon as practicable in the same manner in which the original appointment was made.

(d) DUTIES AND POWERS.—

(1) DUTIES.—The Advisory Commission shall—

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

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

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

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

(iv) the comparative postal practices of other countries, including innovative products and services that postal services in other countries have offered, including services that respond to the increasing use
of electronic means of communication, and different approaches to mail delivery, including rural delivery, that other countries have adopted;

(v) the governance and organizational and management structures of the Postal Service;

(vi) efforts by the Postal Service to recruit and retain a workforce, particularly in rural areas, capable of meeting the strategic needs of the Postal Service regarding innovation, nationwide service standards, and nationwide delivery schedules;

(vii) efforts by the Postal Service to protect and enhance the provision of postal services to rural areas of the United States, including additional actions or strategies needed to meet service standards in rural areas;

(viii) the morale of the workforce of the Postal Service, including strategies to improve morale; and

(ix) technology that could enhance and protect postal services; and
(B) submit the report required under subsection (h).

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

(3) ACCESS TO INFORMATION.—The Advisory Commission may secure directly from the Postal Service, the Board of Governors, the Postal Regulatory Commission, and any other Federal department or agency such information as the Advisory Commission considers necessary to carry out this section. Upon request of the Chairperson of the Advisory Commission, the head of the department or agency shall furnish the information described in the preceding sentence to the Advisory Commission.

(e) APPLICABILITY OF LAWS.—The Federal Advisory Committee Act (5 U.S.C. App) and section 552a of title 5, United States Code (commonly known as the “Privacy Act of 1974”) shall apply to the Advisory Commission.

(f) ASSISTANCE FROM FEDERAL AGENCIES.—

(1) POSTAL SERVICE.—The Postmaster General shall provide to the Advisory Commission administrative support and other services for the performance of the functions of the Advisory Commission.
(2) Other Departments and Agencies.—An agency of the Federal Government may provide to the Advisory Committee such services, funds, facilities, staff, and other support services that the agency determines to be advisable or is otherwise authorized under law.

(g) Personnel Matters.—

(1) Advisory Commission Members.—

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

(B) Travel Expenses.—Each member of the Advisory Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at the rate authorized for employees serving intermittently in the Government service under section 5703 of title 5, United States Code, while away from home or regular place of
business in the performance of services for the
Advisory Commission.

(2) STAFF.—

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

(B) DETAILLEES.—Any Federal employee,
including an employee of the Postal Service,
may be detailed to the Advisory Commission
without reimbursement, and such detail shall be
without interruption or loss of the civil service
rights, status, or privilege of the employee.

(h) **Strategic Blueprint for Long-term Solvency.**—

(1) In general.—Not later than 270 days
after the date of enactment of this Act, the Advisory
Commission shall submit a report that contains a
strategic blueprint for the long-term solvency of the
Postal Service to—

(A) the President;

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

(C) the Committee on Oversight and Gov-
ernment Reform of the House of Representa-
tives;

(D) the Board of Governors; and

(E) the Postmaster General.

(2) Contents.—The strategic blueprint con-
tained in the report submitted under paragraph (1)
shall include—

(A) an assessment of the business model of
the Postal Service as of the date on which the
report is submitted;
(B) an assessment of potential future business models for the Postal Service, including an evaluation of the appropriate balance between—

(i) necessary reductions in costs and services; and

(ii) additional opportunities for growth and revenue;

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

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

(E) identification of opportunities for new and innovative products and services, including products and services targeting rural areas;

(F) a strategy for future growth;

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

(H) a strategy for ensuring that the Postal Service has a sufficient workforce to meet all of its needs and comply with applicable legal requirements; and

(I) recommendations for any legislative changes necessary to implement the strategic blueprint described in this paragraph.
(i) Study and Strategic Plan on Interagency Agreements for Post Offices.—

(1) Duties of Advisory Commission.—

(A) Study.—

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

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

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

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

(ii) Clarification of Interagency Agreements.—The study under clause (i) shall include consideration of the advisability of the Postal Service entering into an interagency agreement with Federal
agencies responsible for providing services
to the general public.

(B) FINDINGS.—The Advisory Commission
shall—

(i) not later than 270 days after the
date of enactment of this Act, submit to
the Postal Service the findings of the study
conducted under subparagraph (A); and

(ii) incorporate the findings described
in clause (i) into the strategic blueprint re-
quired under subsection (h).

(2) POSTAL SERVICE STRATEGIC PLAN.—

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

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

(ii) the Committee on Oversight and
Government Reform of the House of Rep-
resentatives.
(B) LIMITATIONS.—The strategic plan submitted under subparagraph (A) shall be consistent with public interest and demand.

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

(j) TERMINATION OF THE COMMISSION.—The Advisory Commission shall terminate on the earlier of—

(1) the date that is 60 days after the later of—

(A) the date on which the Advisory Commission submits the report on the strategic blueprint for long-term solvency under subsection (h); or

(B) the date on which the Advisory Commission submits the findings on interagency agreements for post offices under subsection (i); or

(2) the date that is 1 year after the date of enactment of this Act.
TITLE IV—POSTAL SERVICE CUSTOMER SERVICE, TRANSPARENCY, AND REGULATION

SEC. 401. CUSTOMER SERVICE STUDY AND REPORT.

(a) STUDY.—The Board of Governors of the Postal Service shall conduct a study on the customer service of the Postal Service, including—

(1) the training of customer-facing employees of the Postal Service at facilities operated by the Postal Service, the primary function of which is to provide retail postal services; and

(2) the flexibility of the facilities described in paragraph (1) to allow for the cross-training of customer-facing employees of the Postal Service during peak hours.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Board of Governors of the Postal Service shall submit to Congress a report on the study required under subsection (a), including—

(1) the current methods for measuring the customer service of the Postal Service;

(2) recent customer service performance; and

(3) strategies to enhance customer service.
SEC. 402. POSTAL SERVICE RESULTS AND TERMS.

(a) In General.—Chapter 36 of title 39, United States Code, is amended by adding after section 3661 the following:

“SEC. 3661A POSTAL SERVICE TRANSPARENCY.

“(a) Postal Service Terms.—The Postal Service shall develop and regularly update a more customer friendly publication of Postal Service terms, abbreviations, and acronyms, which shall be made publicly available on the Postal Service website.

“(b) Centralized Hub to View Delivery and Retail Performance Standards and Results.—Not later than 12 months after the date of enactment of this section, the Postal Service shall create a more centralized, easily accessible hub for viewing all delivery and retail performance standards and performance results. Performance trending results for a period of not less than 24 months shall be made available on the hub.”.

(b) Technical and Conforming Amendment.—The table of sections for chapter 36 of title 39, United States Code, is amended by adding after the item relating to section 3661 the following:

“3661A. Postal Service transparency.”.
SEC. 403. ANNUAL REPORT ON UNITED STATES MAILING INDUSTRY.

(a) In general.—Chapter 24 of title 39, United States Code, is amended by adding at the end the following:

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

“(a) In general.—Not later than 1 year after the date of enactment of this section, and annually thereafter, the Postal Regulatory Commission shall submit a report on the fiscal stability of the United States mailing industry with respect to the preceding fiscal year to—

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

“(2) the Committee on Oversight and Government Reform of the House of Representatives.

“(b) Assistance.—The United States Postal Service and any Federal agency involved in oversight or data collection regarding industry sectors relevant to the report under subsection (a) shall provide any assistance to the Postal Regulatory Commission that the Postal Regulatory Commission determines is necessary in the preparation of a report under subsection (a).”.

(b) Technical and Conforming Amendment.—

The table of sections for chapter 24 of title 39, United States Code, is amended by adding at the end the following:

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

“(a) In general.—Not later than 1 year after the date of enactment of this section, and annually thereafter, the Postal Regulatory Commission shall submit a report on the fiscal stability of the United States mailing industry with respect to the preceding fiscal year to—

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

“(2) the Committee on Oversight and Government Reform of the House of Representatives.

“(b) Assistance.—The United States Postal Service and any Federal agency involved in oversight or data collection regarding industry sectors relevant to the report under subsection (a) shall provide any assistance to the Postal Regulatory Commission that the Postal Regulatory Commission determines is necessary in the preparation of a report under subsection (a).”.
States Code, is amended by adding at the end the following:

“2403. Annual report on the fiscal stability of the United States mailing industry.”.

3 SEC. 404. POSTAL REGULATORY COMMISSION.

(a) COMMISSIONERS.—Section 502 of title 39, United States Code, is amended—

(1) in subsection (c), by striking “subsection (f)” and inserting “subsections (f) and (g)”; and

(2) by adding at the end the following:

“(g) The Commissioners may serve for not more than 2 full terms.”.

(b) ADMINISTRATION.—Section 504 of title 39, United States Code, is amended—

(1) in subsection (a), in the second sentence—

(A) by striking “The Chairman” and inserting “Subject to the policies adopted under subsection (b), the Chairman”; and

(B) by striking “all the executive” and inserting “the day-to-day executive”; and

(2) by amending subsection (b) to read as follows:

“(b)(1) The Chairman shall be governed by the policies adopted by the Commission under paragraph (2)(A) in carrying out any of the functions under this section.
“(2) The Commission shall adopt, by a vote of the majority of the members of the Commission, policies that shall govern all functions of the Commission, including the finances, operations, and administration of the Commission.

“(3) The Commission shall review and, if necessary, revise the policies adopted under paragraph (2) not less frequently than every 4 years. Adoption of revised policies, or re-adoption of existing policies, shall be by a vote of the majority of the members of the Commission.”; and

(3) in subsection (c), by striking “The Chairman” and inserting “Subject to the policies adopted under subsection (b), the Chairman”.

SEC. 405. INSPECTOR GENERAL OF THE UNITED STATES POSTAL SERVICE AND THE POSTAL REGULATORY COMMISSION.


(1) in subsection (a)—

(A) in paragraph (2), by striking “the United States International Trade Commission, the Postal Regulatory Commission, and the
137

United States Postal Service” and inserting “the United States International Trade Commission, and the United States Postal Service and the Postal Regulatory Commission”; and

(B) in paragraph (4), by striking subparagraph (B) and inserting the following:

“(B) with respect to the United States Postal Service and the Postal Regulatory Commission, such term, for purposes of oversight of—

“(i) the United States Postal Service, means the Governors (as defined in section 102(3) of title 39, United States Code); and

“(ii) the Postal Regulatory Commission, means the Chairman of the Postal Regulatory Commission;”;

(2) in subsection (d)(1), by inserting “or subsection (f)(3)” after “Except as provided in paragraph (2)”; and

(3) in subsection (f)—

(A) by striking paragraph (1) and inserting the following:

“(1)(A) There is established in the United States Postal Service the Office of the Inspector General of the
1 United States Postal Service and the Postal Regulatory
2 Commission.
3 “(B) There shall be at the head of the Office of the
4 Inspector General of the United States Postal Service and
5 the Postal Regulatory Commission an Inspector General
6 (referred to in this subsection as the ‘Inspector General’) who shall be appointed by the President, by and with the
7 advice and consent of the Senate, without regard to polit-
8 ical affiliation and solely on the basis of integrity and dem-
9 onstrated ability in accounting, auditing, financial anal-
10 ysis, law, management analysis, public administration, or
11 investigations.
12 “(C) The Inspector General may be removed from of-
13 fice by the President. If the Inspector General is removed
14 from office or is transferred to another position or location
15 within the United States Postal Service, the President
16 shall communicate in writing the reasons for any such re-
17 moval or transfer to both Houses of Congress, not later
18 than 30 days before the removal or transfer. Nothing in
19 this subparagraph shall prohibit a personnel action other-
20 wise authorized by law, other than transfer or removal.
21 “(D) For the purposes of section 7324 of title 5,
22 United States Code, the Inspector General shall not be
23 considered to be an employee who determines policies to
be pursued by the United States in the nationwide admin-
istration of Federal laws.

“(E) The Inspector General shall have all of the au-
thorities and responsibilities provided by this Act with re-
spect to the Postal Regulatory Commission, as if the Post-
al Regulatory Commission were part of the United States
Postal Service.”;

(B) in paragraph (2), by striking “of the
United States Postal Service (hereinafter in
this subsection referred to as the ‘Inspector
General’’);

(C) in paragraph (3)—

(i) in subparagraph (A)—

(I) in clause (i), in the matter
preceding subclause (I), by inserting
“relating to the United States Postal
Service” before “which require access
to sensitive information”; and

(II) in clause (iii), by striking
“Committee on Governmental Affairs
of the Senate” and inserting “Com-
mittee on Homeland Security and
Governmental Affairs of the Senate”;

(ii) in subparagraph (B)(i), by insert-
ing “and the Postal Regulatory Commis-
sion” after “United States Postal Service”;

and

(iii) in subparagraph (C), by striking “Committee on Governmental Affairs of the Senate” and inserting “Committee on Homeland Security and Governmental Affairs of the Senate”;

(D) in paragraph (4), by adding at the end the following: “Nothing in this paragraph may be invoked by the United States Postal Service to restrict or limit any audit or investigation that the Inspector General considers appropriate.”; and

(E) in paragraph (6), by inserting “and the Postal Regulatory Commission” after “United States Postal Service”.

(b) INTERIM POWER OF INSPECTOR GENERAL OF THE UNITED STATES POSTAL SERVICE.—During the period beginning on the date of enactment of this Act and ending on the date on which the first individual is appointed as Inspector General of the United States Postal Service and the Postal Regulatory Commission after the date of enactment of this Act, the Inspector General of the United States Postal Service shall have all of the authorities and responsibilities provided by the Inspector
General Act of 1978 (5 U.S.C. App.) with respect to the Postal Regulatory Commission on the day before the date of enactment of this Act, as if the Postal Regulatory Commission were part of the United States Postal Service.

(c) Transfer of Personnel.—


(2) Office of the Inspector General of the Postal Regulatory Commission.—The personnel employed in the Office of the Inspector General of the Postal Regulatory Commission may be transferred to the other offices of the Postal Regulatory Commission.

(3) Modern Service and Performance Standards.—Any unobligated amounts made available to carry out the functions of the Office of the Inspector General of the Postal Regulatory Commission before the date of enactment of this Act shall be used to establish and revise modern service standards and record performance ratings under section
3691 of title 39, United States Code, as added by section 205(a) of this Act.

(4) EFFECT.—During the 1-year period beginning on the date of enactment of this Act, any full-time or part-time employee who, on the day before such date of enactment, was employed in a permanent position in the Office of the Inspector General of the Postal Regulatory Commission, shall not be separated or reduced in grade or compensation because of the transfer under an amendment made by this section.

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) TITLE 39, UNITED STATES CODE.—Title 39, United States Code, is amended—


(B) in section 202, by striking subsection (e);

(C) in section 504, by striking subsection (h);

(D) in section 1001(b), in the first sentence, by inserting “, and section 8G(f)(1)(B)
of the Inspector General Act of 1978 (5 U.S.C. App.)” after “1001(c) of this title”; 

(E) in section 1003(b), by striking “11(2)” and inserting “12(2)”; 

(F) in section 1005(a)(3), by inserting “, and section 8G(f)(1)(B) of the Inspector General Act of 1978 (5 U.S.C. App.)” after “1001(c) of this title”; 

(G) in section 2009, by inserting “and the Postal Regulatory Commission” after “United States Postal Service”; and 

(H) in section 2011(h)(2)(D), by inserting “and the Postal Regulatory Commission” after “United States Postal Service”. 

(2) TITLE 5, UNITED STATES CODE.—Section 8153(c)(2)(C)(ii) of title 5, United States Code, as added by section 512(a) of this Act, is amended by striking “Inspector General of the United States Postal Service” and inserting “Inspector General of the United States Postal Service and the Postal Regulatory Commission”.

(3) OMNIBUS CONSOLIDATED APPROPRIATIONS ACT, 1997.—Section 662(d) of the Omnibus Consolidated Appropriations Act, 1997 (39 U.S.C. 2802 note) is amended—
(A) in paragraph (1)—

(i) in the paragraph heading, by inserting “AND THE POSTAL REGULATORY COMMISSION” after “POSTAL SERVICE”;

(ii) in subparagraph (A), by inserting “and the Postal Regulatory Commission” after “Postal Service”; and

(iii) in subparagraph (B)(i), by inserting “and the Postal Regulatory Commission” after “Postal Service”; and

(B) in the first sentence of paragraph (2), by inserting “and the Postal Regulatory Commission” after “Postal Service”.

(e) SAVINGS PROVISIONS.—

(1) SUITS.—The provisions of this Act shall not affect suits commenced before the effective date of this Act, and in all such suits, proceeding shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this Act had not been enacted.

(2) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Inspector General of the United States Postal Service or the Inspector General of the Postal Regulatory Commission, or by or against any individual
in the official capacity of such individual as an officer of the Office of the Inspector General of the United States Postal Service or the Office of the Inspector General of the Postal Regulatory Commission shall abate by reason of the enactment of this Act.

(3) CONTINUANCE OF SUITS.—If, before the effective date of this Act, the Office of the Inspector General of the United States Postal Service or the Office of the Inspector General of the Postal Regulatory Commission or officer thereof in the official capacity of such officer, is party to a suit, and under this Act any function of the Office of the Inspector General of the United States Postal Service or the Office of the Inspector General of the Postal Regulatory Commission or officer is transferred to the Inspector General of the United States Postal Service and the Postal Regulatory Commission or any other official of the Office of the Inspector General of the United States Postal Service and the Postal Regulatory Commission, then such suit shall be continued with the Inspector General of the United States Postal Service and the Postal Regulatory Commission or other appropriate official of the Office of the Inspector General of the United States Postal Serv-
ice and the Postal Regulatory Commission substituted or added as a party.

(f) Applicability.—

(1) In general.—Except with respect to the amendment made by subsection (a)(1)(A) relating to the Postal Regulatory Commission and the amendment made by subsection (d)(1)(C), the amendments made by this section shall apply with respect to the first individual appointed as Inspector General of the United States Postal Service and the Postal Regulatory Commission after the date of enactment of this Act.

(2) Rule of construction.—Nothing in this Act may be construed to alter the authority or the length of the term of the individual serving as Inspector General of the United States Postal Service on the date of enactment of this Act.

(g) References in This Act to the Inspector General of the United States Postal Service.—On and after the date on which the first individual is appointed as Inspector General of the United States Postal Service and the Postal Regulatory Commission after the date of enactment of this Act, each reference in sections 107(b), 203(c)(1), 303(d)(1), 406, and 408 of this Act to the Inspector General of the United States Postal Serv-
ice shall be deemed to be a reference to the Inspector General of the United States Postal Service and the Postal Regulatory Commission.

(h) RESOURCES FOR WASTE, FRAUD, AND ABUSE INVESTIGATIONS.—

(1) IN GENERAL.—Chapter 4 of title 39, United States Code, is amended by adding at the end the following:

"§ 417. Waste, fraud, and abuse investigations

"The Postal Service may transfer such resources to the Inspector General for waste, fraud, and abuse investigations as the Postal Service determines necessary."

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 4 of title 39, United States Code, is amended by adding at the end the following:

"417. Waste, fraud, and abuse investigations."

SEC. 406. GAO REPORT ON FRAGMENTATION, OVERLAP, AND DUPLICATION IN FEDERAL PROGRAMS AND ACTIVITIES.

The Comptroller General of the United States shall include in the annual report to Congress required under section 21 of the Joint Resolution entitled "Joint Resolution increasing the statutory limit on the public debt", approved February 12, 2010 (31 U.S.C. 712 note) that is applicable to the first year beginning after the date of en-
1 actment of this Act a review of the duplication of services
2 and functions between the Office of the Inspector General
3 of the United States Postal Service, the Postal Inspection
4 Service, and any other Federal agency.

SEC. 407. POSTAL SERVICES FOR MARKET-DOMINANT
6 PRODUCTS.
7 (a) In General.—Chapter 36 of title 39, United
8 States Code, is amended by striking section 3661 and in-
9 serting the following:

“§ 3661. Postal services for market-dominant prod-
11 ucts
12 “(a) General Obligation.—The Postal Service
13 shall develop and promote adequate and efficient postal
14 services with respect to its market-dominant products.

“(b) Proposed Changes for Market-dominant
16 Products.—

“(1) Submission of Proposal.—If the Postal
18 Service determines that there should be a change in
19 the nature of postal services relating to market-dom-
20 inant products that will generally affect service on a
21 nationwide or substantially nationwide basis, the
22 Postal Service shall submit a proposal to the Postal
23 Regulatory Commission requesting an advisory opin-
24 ion on the change.
“(2) ADVISORY OPINION.—Upon receipt of a proposal under paragraph (1), the Postal Regulatory Commission shall—

“(A) provide notice and an opportunity for public comment and a public hearing on the proposal; and

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

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

“(ii) a date that the Postal Regulatory Commission and the Postal Service may determine jointly.

“(3) RESPONSE TO OPINION.—The Postal Service shall submit to the President and to Congress a response to an advisory opinion issued under paragraph (2) that includes—

“(A) a statement of whether the Postal Service plans to modify the proposal to address any concerns or implement any recommendations made by the Commission; and

“(B) for any matter that the Postal Service determines not to address and any recommendation that the Postal Service deter-
mines not to implement, the reasons for the determination.

“(4) ACTION ON PROPOSAL.—The Postal Service may take action regarding a proposal submitted under paragraph (1)—

“(A) on or after the date on which the Postal Service submits the response required under paragraph (3);

“(B) on or after a date that the Postal Regulatory Commission and the Postal Service may determine jointly; or

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

“(i) the Postal Regulatory Commission fails to issue an advisory opinion on or before the date described in paragraph (2)(B); and

“(ii) the action is not otherwise prohibited under Federal law.

“(5) MODIFICATION OF TIMELINE.—At any time, the Postal Service and the Postal Regulatory Commission may jointly redetermine a date determined under paragraph (2)(B)(ii) or (4)(B).

“(c) LIMITATION.—
“(1) NO CHANGES FOR COMPETITIVE PRODUCTS.—Nothing in this section shall be construed as authorizing the making of changes under this section to the nature of service provided for competitive products.

“(2) HYBRID CHANGES.—For a change that affects the nature of service provided for both market-dominant products and competitive products, only the effect on market-dominant products shall be subject to this section.”.

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

“3661. Postal services for market-dominant products.”.

SEC. 408. POSTAL INSPECTION SERVICE MAIL COVERS PROGRAM.

(a) ASSESSMENT.—Not later than 12 months after the date of enactment of this Act, and annually thereafter, the Inspector General of the Postal Service shall conduct an assessment of the mail covers program of the United States Postal Inspection Service that includes—

(1) a review of issues found in prior audits by the Inspector General of the Postal Service that involve—

(A) mail cover approvals;
(B) the security of mail cover documents and information;

(C) the handling of accountable documents; and

(D) compliance with mail cover procedures;

(2) a validation of internal and external mail cover request statistics provided by the United States Postal Inspection Service;

(3) recommendations to address deficiencies and improve the mail covers program; and

(4) consideration of any civil liberty and privacy issues raised regarding the mail covers program.

(b) SUBMISSION OF STATISTICS.—Not later than November 1 of each year, the Chief Postal Inspector shall submit to the Inspector General of the Postal Service all statistics regarding the mail covers program of the United States Postal Inspection Service, including the number of external and internal requests, approvals, and processing time data.

(c) REPORT.—The Inspector General of the Postal Service shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives an annual report that contains the
findings of each assessment conducted under subsection (a).

SEC. 409. CONTRACT DISPUTES.

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

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

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

(3) by adding at the end the following:

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

SEC. 410. CONTRACTING PROVISIONS.

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

“CHAPTER 7—CONTRACTING PROVISIONS

“In this chapter—

“(1) the term ‘contracting officer’ means an employee of a covered postal entity who has authority to enter into a postal contract;
“(2) the term ‘covered postal entity’ means—

“(A) the Postal Service; or

“(B) the Postal Regulatory Commission;

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

“(A) in the case of the Postal Service, the Postmaster General; or

“(B) in the case of the Postal Regulatory Commission, the Chairman of the Postal Regulatory Commission;

“(4) the term ‘postal contract’ means any contract (including any agreement or memorandum of understanding) entered into by a covered postal entity for the procurement of goods or services; and

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

§ 702. Advocate for competition

“(a) Establishment and designation.—

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

“(2) Designation.—The head of each covered postal entity shall designate for the covered postal entity 1 or more officers or employees (other than
the senior procurement executive) to serve as the ad-
vocate for competition.

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

“(1) be responsible for promoting competition

to the maximum extent practicable consistent with

obtaining best value by promoting the acquisition of

commercial items and challenging barriers to com-
petition;

“(2) review the procurement activities of the

covered postal entity; and

“(3) prepare and transmit to the head of each

covered postal entity, the senior procurement execu-
tive of each covered postal entity, the Board of Gov-
ernors, and Congress, an annual report describing—

“(A) the activities of the advocate under

this section;

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

“(C) barriers to competition that remain;

and

“(D) the number of waivers made by each

covered postal entity under section 704(c).

“§ 703. Delegation of contracting authority

“(a) IN GENERAL.—
“(1) Policy.—Not later than 60 days after the date of enactment of the Improving Postal Operations, Service, and Transparency Act of 2015, the head of each covered postal entity shall issue a policy on contracting officer delegations of authority for the covered postal entity.

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

“(A) notwithstanding any delegation of authority with respect to postal contracts, the ultimate responsibility and accountability for the award and administration of postal contracts resides with the senior procurement executive; and

“(B) a contracting officer shall maintain an awareness of and engagement in the activities being performed on postal contracts of which that officer has cognizance, notwithstanding any delegation of authority that may have been executed.

“(b) Posting of Delegations.—

“(1) In general.—The head of each covered postal entity shall make any delegation of authority for postal contracts outside the functional con-
tracting unit readily available and accessible on the
website of the covered postal entity.

“(2) EFFECTIVE DATE.—This paragraph shall
apply to any delegation of authority made on or
after 30 days after the date of enactment of the Im-
proving Postal Operations, Service, and Trans-
parency Act of 2015.

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

“(a) POSTING REQUIRED.—

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

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

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

“(2) POSTAL SERVICE.—The Postal Service
shall make the noncompetitive purchase request for
any noncompetitive award of a postal contract val-
ued at $250,000 or more, including the rationale
supporting the noncompetitive award, publicly avail-
able on the website of the Postal Service—

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

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

“(3) Adjustments to the posting threshold
for the Postal Service.—

“(A) Review and determination.—Not
later than January 31 of each year, the Postal
Service shall—

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

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

“(B) Amount of adjustments.—An ad-
justment under subparagraph (A) shall be made
in increments of $5,000. If the Postal Service
determines that a change in the Consumer
Price Index for a year would require an adjust-
ment in an amount that is less than $5,000, the Postal Service may not make an adjustment to the threshold for the year.

“(4) EFFECTIVE DATE.—This subsection shall apply to any noncompetitive contract awarded on or after the date that is 90 days after the date of enactment of the Improving Postal Operations, Service, and Transparency Act of 2015.

“(b) PUBLIC AVAILABILITY.—

“(1) IN GENERAL.—Subject to paragraph (2), the information required to be made publicly available by a covered postal entity under subsection (a) shall be readily accessible on the website of the covered postal entity.

“(2) PROTECTION OF PROPRIETARY INFORMATION.—A covered postal entity shall—

“(A) carefully screen any description of the rationale supporting a noncompetitive award required to be made publicly available under subsection (a) to determine whether the description includes proprietary data (including any reference or citation to the proprietary data) or security-related information; and

“(B) remove any proprietary data or security-related information before making publicly
available a description of the rational sup-
porting a noncompetitive award.

“(c) WAIVERS.—

“(1) WAIVER PERMITTED.—If a covered postal
entity determines that making a noncompetitive pur-
chase request publicly available would risk placing
the Postal Service at a competitive disadvantage rel-
ative to a private sector competitor, the senior pro-
curement executive, in consultation with the advo-
cate for competition of the covered postal entity,
may waive the requirements under subsection (a).

“(2) FORM AND CONTENT OF WAIVER.—

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

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

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

“(ii) a statement that redaction of
sensitive information in the noncompetitive
purchase request would not be sufficient to
protect the Postal Service from being
placed at a competitive disadvantage relative to a private sector competitor.

“(3) DELEGATION OF WAIVER AUTHORITY.—A covered postal entity may not delegate the authority to approve a waiver under paragraph (1) to any employee having less authority than the senior procurement executive.

“§ 705. Review of ethical issues

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

“(1) review the proposed contract; and

“(2) advise the contracting officer on the appropriate resolution of ethical issues.

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

“(a) DEFINITIONS.—In this section—

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

“(A) a contracting officer; or

“(B) any employee of a covered postal entity whose decisionmaking affects a postal contract as determined by regulations prescribed by the head of a covered postal entity;
“(2) the term ‘covered relationship’ means a covered relationship described in section 2635.502(b)(1) of title 5, Code of Federal Regulations, or any successor thereto; and

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

“(b) IN GENERAL.—

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

“(A) require a covered employee to include in the file of any noncompetitive purchase request for a noncompetitive postal contract a written certification that—

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

“(ii) the covered employee will not take any action with respect to the non-competitive purchase request that affects the financial interests of a friend, relative, or person with whom the covered employee is affiliated in a nongovernmental capacity, or otherwise gives rise to an appearance of the use of public office for private gain, as
described in section 2635.702 of title 5, Code of Federal Regulations, or any successor thereto;

“(B) require a contracting officer to consult with the ethics counsel for the covered postal entity regarding any disclosure made by a covered employee under subparagraph (A)(i), to determine whether participation by the covered employee in the noncompetitive purchase request would give rise to a violation of part 2635 of title 5, Code of Federal Regulations (commonly referred to as the ‘Standards of Ethical Conduct for Employees of the Executive Branch’);

“(C) require the ethics counsel for a covered postal entity to review any disclosure made by a contracting officer under subparagraph (A)(i) to determine whether participation by the contracting officer in the noncompetitive purchase request would give rise to a violation of part 2635 of title 5, Code of Federal Regulations (commonly referred to as the ‘Standards of Ethical Conduct for Employees of the Executive Branch’), or any successor thereto;
“(D) under subsections (d) and (e) of section 2635.50 of title 5, Code of Federal Regulations, or any successor thereto, require the ethics counsel for a covered postal entity to—

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

“(ii) disqualify a covered employee that makes a disclosure under subparagraph (A)(i) from participating in the noncompetitive postal contract;

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

“(F) include authority for the head of the covered postal entity to grant a waiver or otherwise mitigate any organizational or personal conflict of interest, if the head of the covered postal entity determines that the waiver or mitigation is in the best interests of the Postal Service.

“(2) POSTING OF WAIVERS.—Not later than 30 days after the head of a covered postal entity grants
a waiver described in paragraph (1)(F), the head of the covered postal entity shall make the waiver publicly available on the website of the covered postal entity.

“(c) CONTRACT VOIDANCE AND RECOVERY.—

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

“(A) void that contract; and

“(B) recover the amounts expended and property transferred by the covered postal entity under that contract.

“(2) OBTAINING OR DISCLOSING PROCUREMENT INFORMATION.—

“(A) IN GENERAL.—In any case where a contractor under a postal contract fails to timely disclose a conflict of interest to the appropriate contracting officer as required under the regulations promulgated under subsection (b)(1)(D), the head of a covered postal entity may—

“(i) void that contract; and
“(ii) recover the amounts expended and property transferred by the covered postal entity under that contract.

“(B) CONVICTION OR ADMINISTRATIVE DETERMINATION.—A case described under subparagraph (A) is any case in which—

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

“(ii) the head of a covered postal entity determines, based upon a preponderance of the evidence, that the contractor or someone acting for the contractor has engaged in conduct constituting an offense punishable under section 27(e) of that Act.

“§ 707. Congressional oversight authority

“The Postal Service may not enter into any contract that restricts the ability of Congress to exercise oversight authority.”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of chapters for part I of title 39, United States Code, is amended by adding at the end the following:

“7. Contracting Provisions .............................................................. 701”.
TITLE V—FEDERAL EMPLOYEES’ COMPENSATION ACT

SEC. 501. SHORT TITLE; REFERENCES.
(a) SHORT TITLE.—This title may be cited as the “Workers’ Compensation Reform Act of 2015”.
(b) REFERENCES.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 5, United States Code.

SEC. 502. FEDERAL WORKERS COMPENSATION REFORMS FOR RETIREMENT-AGE EMPLOYEES.
(a) CONVERSION OF ENTITLEMENT AT RETIREMENT AGE.—
(1) DEFINITIONS.—Section 8101 is amended—
(A) in paragraph (18), by striking “and” at the end;
(B) in paragraph (19), by striking “and” at the end;
(C) in paragraph (20), by striking the period at the end and inserting “; and”; and
(D) by adding at the end the following:
“(21) ‘retirement age’ has the meaning given that term under section 216(l)(1) of the Social Security Act (42 U.S.C. 416(l)(1)).”.

(2) Total Disability.—Section 8105 is amended—

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

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

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

“(b) Conversion of Entitlement at Retirement Age.—

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

“(2) Exceptions for existing recipients and recipients with exempt disability condition or facing financial hardship.—Paragraph (1) shall not apply to a claim for total disability by an employee—
“(A) resulting from personal injury sustained before the date of enactment of the Workers’ Compensation Reform Act of 2015; or

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

(D) in subsection (c), as so redesignated, by inserting “PRIMA FACIE PERMANENT TOTAL DISABILITY.—” before “The loss”.

(3) PARTIAL DISABILITY.—Section 8106 is amended—

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

(B) by redesignating subsections (b) and (e) as subsections (c) and (d), respectively;

(C) by inserting after subsection (a) the following:
“(b) Conversion of Entitlement at Retirement Age.—

“(1) In General.—Except as provided in paragraph (2), the basic compensation for partial disability for an employee who has attained retirement age shall be 50 percent of the difference between the monthly pay of the employee and the monthly wage-earning capacity of the employee after the beginning of the partial disability.

“(2) Exceptions for Existing Recipients and Recipients Facing Financial Hardship.—

Paragraph (1) shall not apply to a claim for partial disability by an employee—

“(A) resulting from personal injury sustained before the date of enactment of the Workers’ Compensation Reform Act of 2015; or

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

(D) in subsection (c), as so redesignated, by inserting “REPORTING.—” before “The Secretary of Labor”; and

(E) in subsection (d), as so redesignated, by inserting “EXCLUSIONS.—” before “A partially disabled employee”.

SEC. 503. AUGMENTED COMPENSATION FOR DEPENDENTS.

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

(1) in subsection (a), by inserting “DEFINITION.—” before “For the purpose”;

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

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

“(b) TERMINATION OF AUGMENTED COMPENSATION.—

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

“(2) EXCEPTION.—Augmented compensation shall be provided in accordance with subsection (c) to an employee for a claim for disability (including a claim for a permanent disability described in sec-
tion 8107(a)) by an employee resulting from personal injury sustained before the date of enactment of the Workers’ Compensation Reform Act of 2015.”; and

(4) in subsection (c), as so redesignated, by inserting “AUGMENTS COMPENSATION FOR EXISTING CLAIMS.—” before “A disabled employee”.

(b) MAXIMUM AND MINIMUM MONTHLY PAYMENTS.—Section 8112 is amended—

(1) in subsection (a)—

(A) by striking “Except as provided by section 8138” and inserting “IN GENERAL.—Except as provided by subsections (b) and (c) and section 8138”;

(B) by striking “including augmented compensation under section 8110 of this title but”;

and

(C) by striking “75 percent” each place it appears and inserting “66 2/3 percent”;

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

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

“(b) EXCEPTIONS.—With respect to claims for disability by an employee resulting from personal injury sus-
tained before the date of enactment of the Workers' Com-
pensation Reform Act of 2015—

“(1) the monthly rate of compensation for dis-
ability that is subject to the maximum and minimum
monthly amounts under subsection (a) shall include
any augmented compensation under section 8110;
and

“(2) subsection (a) shall be applied by sub-
stituting ‘75 percent’ for ‘66 2⁄3 percent’ each place
it appears.”; and

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

(A) by inserting “EXCLUSION.—” before
“The provisions”; and

(B) by striking “subsection (a)” and in-
serting “subsections (a) and (b)”.

(e) DEATH BENEFITS GENERALLY.—Section 8133 is
amended—

(1) in subsection (a)—

(A) by inserting “IN GENERAL.—” before
“If death results”; and

(B) by striking “75 percent” each place it
appears and inserting “66 2⁄3 percent (except as
provided in subsection (g))”;
(2) in subsection (b), by inserting “PERIOD OF COMPENSATION.—” before “The compensation payable”;

(3) in subsection (c), by inserting “COMPENSATION OF REMAINING INDIVIDUALS.—” before “On the cessation”;

(4) in subsection (d), by inserting “MULTIPLE CLASSES OF INDIVIDUALS.—” before “When there are two or more”;

(5) in subsection (e)—

(A) by inserting “COMPUTATION.—” before “In computing compensation”; and

(B) in paragraph (2), by striking “75 percent” and inserting “66 2⁄3 percent (except as provided in subsection (g))”;

(6) in subsection (f), by inserting “OTHER COSTS.—” before “Notwithstanding”; and

(7) by adding at the end the following:

“(g) EXISTING CLAIMS.—If the death occurred before the date of enactment of the Workers’ Compensation Reform Act of 2015, subsections (a) and (e) shall be applied by substituting ‘75 percent’ for ‘66 2⁄3 percent’ each place it appears.”.

(d) DEATH BENEFITS FOR CIVIL AIR PATROL VOLUNTEERS.—Section 8141 is amended—
(1) in subsection (a), by inserting “IN GENERAL.—” before “Subject to the provisions”;

(2) in subsection (b)—

(A) by inserting “ADMINISTRATION.—” before “In administering”; and

(B) in paragraph (2)(B) by striking “75 percent” and inserting “66 2⁄3 percent (except as provided in subsection (c))”;

(3) by redesignating subsection (c) as subsection (d);

(4) by inserting after subsection (b) the following:

“(c) EXISTING CLAIMS.—If the death occurred before the date of enactment of the Workers’ Compensation Reform Act of 2015, subsection (b)(2)(B) shall be applied by substituting ‘75 percent’ for ‘66 2⁄3 percent’.”; and

(5) in subsection (d), as so redesignated, by inserting “COORDINATION WITH AIR FORCE.—” before “The Secretary of Labor”.

SEC. 504. SCHEDULE COMPENSATION PAYMENTS.

Section 8107 is amended—

(1) in subsection (a)—

(A) by inserting “IN GENERAL.—” before “If there is”; and
176

(B) by striking “at the rate of 66⅔ percent of his monthly pay” and inserting “at the rate specified under subsection (d)”;

(2) in subsection (b), by inserting “OTHER COMPENSATION.—” before “With respect to”;

(3) in subsection (c), by inserting “SCHEDULE.—” before “The compensation schedule”; and

(4) by adding at the end the following:

“(d) RATE FOR COMPENSATION.—

“(1) ANNUAL SALARY.—

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

“(B) ESTABLISHMENT.—

“(i) IN GENERAL.—The Secretary of Labor shall establish an annual salary for purposes of subparagraph (A) in the amount the Secretary determines will result in the aggregate cost of payments made under this section being equal to
what would have been the aggregate cost of payments under this section if the amendments made by section 504 of the Workers’ Compensation Reform Act of 2015 had not been enacted.

“(ii) COST OF LIVING ADJUSTMENT.—

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

“(C) PRESENT VALUE.—The Secretary of Labor shall calculate the present value for purposes of subparagraph (A) using a rate of interest equal to the average market yield for outstanding marketable obligations of the United States with a maturity of 2 years on the first business day of the month in which the compensation is paid or, in the event that such marketable obligations are not being issued on such date, at an equivalent rate selected by the
Secretary of Labor, true discount compounded annually.

“(2) CERTAIN INJURIES.—For an injury that occurred before the date of enactment of the Workers’ Compensation Reform Act of 2015, the rate under subsection (a) shall be 66⅔ percent of the employee’s monthly pay.

“(e) SIMULTANEOUS RECEIPT.—

“(1) TOTAL DISABILITY.—An employee who receives compensation for total disability under section 8105 may only receive the lump sum of schedule compensation under this section in addition to and simultaneously with the benefits for total disability after the date on which the basic compensation for total disability of the employee becomes 50 percent of the monthly pay of the employee under section 8105(b).

“(2) PARTIAL DISABILITY.—An employee who receives benefits for partial disability under section 8106 may only receive the lump sum of schedule compensation under this section in addition to and simultaneously with the benefits for partial disability after the date on which the basic compensation for partial disability of the employee becomes 50 percent of the difference between the monthly pay of the em-
ployee and the monthly wage-earning capacity of the employee after the beginning of the partial disability under section 8106(b).”.

SEC. 505. VOCATIONAL REHABILITATION.

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

(1) in subsection (a)—

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

“(a) IN GENERAL.—

“(1) DIRECTION.—Except as provided in paragraph (2), not earlier than the date that is 6 months after the date on which an individual eligible for wage-loss compensation under section 8105 or 8106 is injured, or by such other date as the Secretary of Labor determines it would be reasonable under the circumstances for the individual to begin vocational rehabilitation, and if vocational rehabilitation may enable the individual to become capable of more gainful employment, the Secretary of Labor shall direct the individual to participate in developing a comprehensive return to work plan and to undergo vocational rehabilitation at a location a reasonable distance from the residence of the individual.”;
(B) by striking “the Secretary of Health, Education, and Welfare in carrying out the purposes of chapter 4 of title 29” and inserting “the Secretary of Education in carrying out the purposes of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.)”; 

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

and

(D) by adding at the end the following:

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

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

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

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

“(1) shall—
“(A) set forth specific measures designed to increase the wage-earning capacity of an individual;

“(B) take into account the prior training and education of the individual and the training, educational, and employment opportunities reasonably available to the individual; and

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

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

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

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

(A) by inserting “COMPENSATION.—” before “Notwithstanding”; and
(B) by striking “, other than employment undertaken pursuant to such rehabilitation”; and

(5) by adding at the end the following:

“(d) ASSISTED REEMPLOYMENT AGREEMENTS.—

“(1) IN GENERAL.—The Secretary may enter into an assisted reemployment agreement with an agency or instrumentality of any branch of the Federal Government or a State or local government or a private employer that employs an individual eligible for wage-loss compensation under section 8105 or 8106 to enable the individual to return to productive employment.

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

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

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

“(e) LIST.—To facilitate the hiring of individuals eligible for wage-loss compensation under section 8105 or
8106, the Secretary shall provide a list of such individuals to the Office of Personnel Management, which the Office of Personnel Management shall provide to all agencies and instrumentalities of the Federal Government.”.

(b) Employees’ Compensation Fund.—Section 8147 is amended by adding at the end:

“(d) Notwithstanding subsection (b), any benefits or other payments paid to or on behalf of an employee under this subchapter or any extension or application thereof for a recurrence of injury, consequential injury, aggravation of injury, or increase in percentage of impairment to a member for which compensation is provided under the schedule under section 8107 suffered in a permanent position with an agency or instrumentality of the United States while the employment with the agency or instrumentality is covered under an assisted reemployment agreement entered into under section 8104(d) shall not be included in total cost of benefits and other payments in the statement provided to the agency or instrumentality under subsection (b) if the injury was originally incurred in a position not covered by an assisted reemployment agreement.”.

(e) Termination of Vocational Rehabilitation Requirement After Retirement Age.—Section 8113(b) is amended by adding at the end the following:
“An individual who has attained retirement age may not be required to undergo vocational rehabilitation.”.

(d) **Mandatory Benefit Reduction for Non-Compliance.**—Section 8113(b) is amended by striking “may reduce” and inserting “shall reduce”.

(e) **Technical and Conforming Amendments.**—

(1) **In General.**—Subchapter III of chapter 15 of title 31, United States Code, is amended by adding at the end the following:

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§ 1538. Authorization for assisted reemployment

“Funds may be transferred from the Employees’ Compensation Fund established under section 8147 of title 5 to the applicable appropriations account for an agency or instrumentality of any branch of the Federal Government for the purposes of reimbursing the agency or instrumentality in accordance with an assisted reemployment agreement entered into under section 8104 of title 5.”.
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(2) **Table of sections.**—The table of sections for chapter 15 of title 31, United States Code, is amended by inserting after the item relating to section 1537 the following:

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“1538. Authorization for assisted reemployment.”.
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**SEC. 506. REPORTING REQUIREMENTS.**

(a) **In General.**—Chapter 81 is amended by inserting after section 8106 the following:
§ 8106a. Reporting requirements

(a) Definition.—In this section, the term ‘employee receiving compensation’ means an employee who—

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

(2) has not attained retirement age.

(b) Authority.—The Secretary of Labor shall require an employee receiving compensation to report the earnings of the employee receiving compensation from employment or self-employment, by affidavit or otherwise, in the manner and at the times the Secretary specifies.

(c) Contents.—An employee receiving compensation shall include in a report required under subsection (b) the value of housing, board, lodging, and other advantages which are part of the earnings of the employee receiving compensation in employment or self-employment and the value of which can be estimated.

(d) Failure to Report and False Reports.—

(1) In general.—An employee receiving compensation who fails to make an affidavit or other report required under subsection (b) or who knowingly omits or understates any part of the earnings of the employee in such an affidavit or other report shall forfeit the right to compensation with respect to any period for which the report was required.
“(2) Forfeited compensation.—Compensation forfeited under this subsection, if already paid to the employee receiving compensation, shall be recovered by a deduction from the compensation payable to the employee or otherwise recovered under section 8129, unless recovery is waived under that section.”.

(b) Technical and Conforming Amendments.—
The table of sections for chapter 81 is amended by inserting after the item relating to section 8106 the following: “8106a. Reporting requirements.”.

SEC. 507. DISABILITY MANAGEMENT REVIEW; INDEPENDENT MEDICAL EXAMINATIONS.

Section 8123 is amended—

(1) in subsection (a), by inserting “In General.—” before “An employee shall”;

(2) in subsection (b), by inserting “Expenses.—” before “An employee is entitled”;

(3) in subsection (c), by inserting “Fees.—” before “The Secretary shall”;

(4) in subsection (d), by inserting “Refusal or Obstruction.—” before “If an employee”; and

(5) by adding at the end the following:

“(e) Disability Management Review.—

“(1) Definitions.—In this subsection—
“(A) the term ‘covered employee’ means an employee who is in continuous receipt of compensation for total disability under section 8105 for a period of not less than 6 months; and

“(B) the term ‘disability management review process’ means the disability management review process established under paragraph (2)(A).

“(2) Establishment.—The Secretary of Labor shall—

“(A) establish a disability management review process for the purpose of certifying and monitoring the disability status and extent of injury of each covered employee; and

“(B) promulgate regulations for the administration of the disability management review process.

“(3) Physical examinations required.—Under the disability management review process, the Secretary of Labor shall periodically require covered employees to submit to physical examinations under subsection (a) by physicians selected by the Secretary. A physician conducting a physical examination of a covered employee shall submit to the Sec-
retary a report regarding the nature and extent of
the injury to and disability of the covered employee.

“(4) FREQUENCY.—

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

“(B) MINIMUM FREQUENCY.—

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

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

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

“(A) IN GENERAL.—The agency or instru-
mentality employing a covered employee who
has made a claim for compensation for total
disability under section 8105 may at any time submit a request for the Secretary of Labor to promptly require the covered employee to submit to a physical examination under this subsection.

“(B) REQUESTING OFFICER.—A request under subparagraph (A) shall be made on behalf of an agency or instrumentality by—

“(i) the head of the agency or instrumentality;

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

“(iii) if the agency or instrumentality does not have a Chief Human Capital Officer, an officer with responsibilities similar to those of a Chief Human Capital Officer designated by the head of the agency or instrumentality to make requests under this paragraph.

“(C) INFORMATION.—A request under subparagraph (A) shall be in writing and accompanied by—

“(i) a certification by the officer making the request that the officer has re-
viewed the relevant material in the covered employee's file;

“(ii) an explanation of why the officer has determined, based on the materials in the file and other information known to the officer, that requiring a physical examination of the covered employee under this subsection is necessary; and

“(iii) copies of the materials relating to the covered employee that are relevant to the officer’s determination and request, unless the agency or instrumentality has a reasonable basis for not providing the materials.

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

“(E) AFTER INITIAL EXAMINATION.—
“(i) IN GENERAL.—If the Secretary of Labor receives a request under this paragraph after a covered employee has undergone an initial physical examination under paragraph (4)(B)(i), the Secretary shall—

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

“(II) determine whether to require the physical examination of the covered employee who is the subject of the request.

“(ii) NOT GRANTED.—If the Secretary determines not to grant a request described in clause (i), the Secretary shall promptly notify the officer who made the request and provide an explanation of the reasons why the request was denied.”.

SEC. 508. WAITING PERIOD.

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

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

(2) in subsection (a)—
(A) in the matter preceding paragraph (1), by striking “An employee” and all that follows through “is not entitled” and inserting “In GENERAL.—An employee is not entitled to con-
tinuation of pay within the meaning of section 8118 for the first 3 days of temporary disability or, if section 8118 does not apply, is not enti-
tled’’;

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

(C) by striking paragraph (2); and

(D) by redesignating paragraph (3) as paragraph (2); and

(3) in subsection (b)—

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

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

(C) by striking “or is followed by perma-

(nent disability’’.

(b) CONTINUATION OF PAY.—Section 8118 is amend-
(1) in the section heading, by striking “; election to use annual or sick leave”;

(2) in subsection (a), by inserting “In General.—” before “The United States”;

(3) in subsection (b)—

(A) by inserting “FURNISHING OF CONTINUATION OF PAY.—” before “Continuation of pay”; and

(B) in paragraph (1), by striking “section 8117(b)” and inserting “section 8117”;

(4) by striking subsection (c);

(5) by redesignating subsection (d) as subsections (c);

(6) in subsection (e), as so redesignated, by inserting “DENIAL.—” before “If a claim”; and

(7) in subsection (e), by inserting “TREATMENT OF PAYMENTS.—” before “Payments under this section”.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for chapter 81 is amended by striking the items relating to sections 8117 and 8118 and inserting the following:

“8117. Waiting period.
“8118. Continuation of pay.”.

SEC. 509. ELECTION OF BENEFITS.

(a) IN GENERAL.—Section 8116 is amended—
(1) in subsection (a), by inserting “IN GENERAL.—” before “While an employee”;

(2) in subsection (b), by inserting “ELECTION.—” before “An individual entitled”;

(3) in subsection (c), by inserting “LIABILITY.—” before “The liability of the United States”;

(4) in subsection (d), by inserting “EXCEPTIONS.—” before “Notwithstanding”; and

(5) by adding at the end the following:

“(e) RETIREMENT BENEFITS.—

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

“(2) ELECTION.—

“(A) DEADLINE.—An individual shall make an election under paragraph (1) in accordance with such deadlines as the Secretary of Labor shall establish, which shall be a reasonable period after the individual has received notice of a final determination that the individual is entitled to compensation benefits payable under this subchapter.
“(B) Revocability.—An election under paragraph (1) shall be revocable, notwithstanding any other provision of law, except for any period during which an individual—

“(i) was qualified for benefits payable under both this subchapter and under a retirement system described in paragraph (1); and

“(ii) was paid benefits under the retirement system after having been notified of eligibility for benefits under this subchapter.

“(3) Informed Choice.—The Secretary of Labor shall provide information, and shall ensure that information is provided, to an individual described in paragraph (1) about the benefits available to the individual under this subchapter or under chapter 83, subchapter II of chapter 84, or any other retirement system referred to in paragraph (1) the individual may elect to receive.”.

(b) Technical and Conforming Amendments.—Sections 8337(f)(3) and 8464a(a)(3) are each amended by striking “Paragraphs” and inserting “Except as provided under chapter 81, paragraphs”.
SEC. 510. SANCTION FOR NONCOOPERATION WITH FIELD NURSES.

Section 8123, as amended by section 507, is amended by adding at the end the following:

“(f) FIELD NURSES.—

“(1) DEFINITION.—In this subsection, the term ‘field nurse’ means a registered nurse that assists the Secretary in the medical management of disability claims under this subchapter and provides claimants with assistance in coordinating medical care.

“(2) AUTHORIZATION.—The Secretary may use field nurses to coordinate medical services and vocational rehabilitation programs for injured employees under this subchapter. If an employee refuses to cooperate with a field nurse or obstructs a field nurse in the performance of duties under this subchapter, the right to compensation under this subchapter shall be suspended until the refusal or obstruction stops.”.

SEC. 511. SUBROGATION OF CONTINUATION OF PAY.

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

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—
(i) by inserting “IN GENERAL.—” before “If an injury”; and

(ii) by inserting “continuation of pay or” before “compensation”;

(B) in paragraph (1), by striking “he” each place it appears and inserting “the beneficiary”; and

(C) in paragraph (2), by striking “his own name” and inserting “the name of the beneficiary”;

(2) in subsection (b)—

(A) by inserting “REFUSAL.—” before “A beneficiary”; 

(B) by striking “his own name” and inserting “the name of the beneficiary”; and

(C) by inserting “continuation of pay or” before “compensation”; 

(3) in subsection (c)—

(A) by inserting “PROSECUTION AND COMPROMISE.—” before “The Secretary may”; 

(B) by striking “he shall” and inserting “the Secretary shall”;

(C) by inserting “continuation of pay or” before “compensation already paid”; and
(D) by inserting “continuation of pay or” before “compensation payable”; and

(4) in subsection (d), by inserting “PANAMA CANAL COMPANY.—” before “If an injury”.

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

(1) in the first sentence—

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

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

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

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

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

(2) in the second sentence, by striking “his designee” and inserting “the designee of the beneficiary”; and

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

(c) EFFECTIVE DATE.—This section and the amend-
ments made by this section shall take effect on the date
of enactment of this Act.

SEC. 512. INTEGRITY AND COMPLIANCE.

(a) IN GENERAL.—Subchapter I of chapter 81 is
amended by adding at the end the following:

“§ 8153. Integrity and Compliance Program

“(a) DEFINITIONS.—In this section—

“(1) the term ‘FECA program’ means the Fed-
eral Employees Compensation Program administered
under this subchapter;

“(2) the term ‘improper payment’ has the
meaning given that term in section 2(f) of the Im-
proper Payments Information Act of 2002 (31
U.S.C. 3321 note);

“(3) the term ‘Inspector General’—

“(A) means an Inspector General described
in subparagraph (A), (B), or (I) of section
11(b)(1) of the Inspector General Act of 1978
(5 U.S.C. App.); and
“(B) does not include the Inspector General of an entity having no employees covered under the FECA program;

“(4) the term ‘Integrity and Compliance Program’ means the Integrity and Compliance Program established under subsection (b);

“(5) the term ‘provider’ means a provider of medical or other services under the FECA program;

“(6) the term ‘Secretary’ means the Secretary of Labor; and

“(7) the term ‘Task Force’ means the FECA Integrity and Compliance Task Force established under subsection (c)(2)(A).

“(b) INTEGRITY AND COMPLIANCE PROGRAM.—Not later than 270 days after the date of enactment of this section, the Secretary shall establish an Integrity and Compliance Program for the purpose of preventing, identifying, and recovering fraudulent and other improper payments for the FECA program, which shall include—

“(1) procedures for identifying potentially improper payments before payment is made to claimants and providers, including, where appropriate, predictive analytics;
“(2) reviews after payment is made to identify potentially improper payments to claimants and providers;

“(3) on-going screening and verification procedures to ensure the continued eligibility of medical providers to provide services under the FECA program, including licensure, Federal disbarment, and the existence of relevant criminal convictions;

“(4) provision of appropriate information, education, and training to claimants and providers on requirements to ensure the integrity of the FECA program, including payments under the FECA program;

“(5) appropriate controls and audits to ensure that providers adopt internal controls and procedures for compliance with requirements under the FECA program;

“(6) procedures to ensure—

“(A) initial and continuing eligibility of claimants for compensation, benefits, or services under the FECA program; and

“(B) ongoing verification of information in databases relating to claimants to ensure accuracy and completeness; and
“(7) sharing and accessing data and information with other agencies and instrumentalities of the United States, including the United States Postal Service.

“(c) INTERAGENCY COOPERATION ON ANTI-FRAUD EFFORTS.—

“(1) IN GENERAL.—In administering the FECA program, including the Integrity and Compliance Program, the Secretary shall cooperate with other agencies and instrumentalities of the United States (including the United States Postal Service) and the Inspectors General of such agencies and instrumentalities to prevent, identify, and recover fraudulent and other improper payments under the FECA program.

“(2) TASK FORCE.—

“(A) IN GENERAL.—There is established a task force, which shall be known as the FECA Integrity and Compliance Task Force.

“(B) MEMBERSHIP.—The members of the Task Force shall be—

“(i) the Secretary, who shall serve as the Chairperson of the Task Force;
“(ii) the Postmaster General, who shall serve as the Vice Chairperson of the Task Force;
“(iii) the Attorney General;
“(iv) the Director of the Office of Management and Budget; and
“(v) other appropriate Federal officials, as determined by the Chairperson and Vice Chairperson of the Task Force.

“(C) ADVISORY MEMBERS.—The following officials shall attend meetings of the Task Force and participate as ad hoc, advisory members, to provide technical assistance and guidance to the Task Force with respect to the duties of the Task Force:

“(i) The Inspector General of the Department of Labor.
“(iii) The Inspectors General of other appropriate agencies and instrumentalities of the United States that employ a significant number of individuals receiving compensation, benefits, or services under the
FECA program, as determined by the Chairperson of the Task Force.

“(D) DUTIES.—The Task Force shall—

“(i) set forth, in writing, a description of the respective roles and responsibilities in preventing, identifying, recovering, and prosecuting fraud under, and otherwise ensuring integrity and compliance of, the FECA program of—

“(I) the Secretary (including subordinate officials such as the Director of the Office of Workers’ Compensation Programs);

“(II) the Inspector General of the Department of Labor;

“(III) the Inspectors General of agencies and instrumentalities of the United States that employ claimants under the FECA program;

“(IV) the Attorney General; and

“(V) any other relevant officials;

“(ii) develop procedures for sharing information of possible fraud under the FECA program or other intentional misstatements by claimants or providers
under the FECA program, including procedures addressing—

“(I) notification of appropriate officials of the Department of Labor of potential fraud or other intentional misstatements, including provision of supporting information;

“(II) timely and appropriate response by officials of the Department of Labor to notifications described in subclause (I);

“(III) the inclusion of information and evidence relating to fraud and other intentional misstatements in criminal, civil, and administrative proceedings relating to the provision of compensation, benefits, or medical services (including payments to providers) under the FECA program;

“(IV) the coordination of criminal investigations with the administration of the FECA program; and

“(V) the protection of information relating to an investigation of possible fraud under the FECA pro-
gram from potential disclosure, including requirements that enable investigative files to be appropriately separated from case management files;

“(iii) not later than 1 year after the date of enactment of this section, submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform and the Committee on Education and the Workforce of the House of Representatives a report that includes the description and procedures required under clauses (i) and (ii).

“(3) Rule of construction.—Nothing in this subsection shall be construed to limit or restrict any authority of an Inspector General.

“(d) Improvements to Access of Federal Databases.—

“(1) In general.—In order to improve compliance with the requirements under and the integrity of the FECA program, or as required to otherwise detect and prevent improper payments under the FECA program (including for purposes of computer
matching under subsection (c)(1)(D)), upon written request—

“(A) the Commissioner of Social Security shall make available to the Secretary, the Postmaster General, and each Inspector General the Social Security earnings information of a living or deceased employee;

“(B) the Director of the Office of Personnel Management shall make available to the Secretary, the Postmaster General, and each Inspector General the information in the databases of Federal employees and retirees maintained by the Director; and

“(C) the Secretary of Veterans Affairs shall make available to the Secretary, the Postmaster General, and each Inspector General the information in the database of disabled individuals maintained by the Secretary of Veterans Affairs.

“(2) NATIONAL DIRECTORY OF NEW HIRES.— Upon written request, the Secretary of Health and Human Services shall make available to the Secretary, the Postmaster General, each Inspector General, and the Comptroller General of the United States the information in the National Directory of
New Hires for purposes of carrying out this sub-
chapter, in order to improve compliance with the re-
quirements under and the integrity of the FECA
program, or as required to otherwise detect and pre-
vent improper payments under the FECA program
(including for purposes of computer matching under
subsection (e)(1)(D)). The Comptroller General may
obtain information from the National Directory of
New Hires for purposes of any audit, evaluation, or
investigation, including any audit, evaluation, or in-
vestigation relating to program integrity.

“(3) PROCEDURES.—The Secretary shall estab-
lish procedures for correlating the identity and sta-
tus of recipients of compensation, benefits, or serv-
ices under this subchapter with Social Security earn-
ings information described in paragraph (1)(A).

“(4) PROVISION.—Information requested under
this subsection shall be provided—

“(A) in a timely manner;

“(B) at a reasonable cost to the Secretary,
the Postmaster General, or an Inspector Gen-
eral;

“(C) without cost to the Comptroller Gen-
eral of the United States; and
“(D) in the manner, frequency, and form reasonably specified by the officer making the request, which, upon request, shall include electronic form.

“(5) ASSESSMENT OF DATA COST-EFFECTIVENESS.—

“(A) IN GENERAL.—The Secretary shall consider and assess procedures for correlating the identity and status of recipients of compensation, benefits, or services under this subchapter with information relating to employees, retirees, and individuals described in subparagraphs (B) and (C) of paragraph (1) and paragraph (2).

“(B) REPORT.—Not later than 1 year after the date of enactment of this section, the Secretary shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform and the Committee on Education and the Workforce of the House of Representatives a report on the cost-effectiveness of the use of the databases described in subparagraphs (B) and (C) of paragraph (1) and paragraph (2) for program compliance and
integrity. The report required under this sub-
paragraph may be included as part of the re-
port required under subsection (f).

“(6) UNITED STATES POSTAL SERVICE FECA
ENROLLEE DATABASE.—Not later than 180 days
after the date of enactment of this section, in order
to track, verify, and communicate with the Secretary
and other relevant entities, the Postmaster General
shall establish an electronic database of information
relating to employees of the United States Postal
Service who have applied for or are receiving com-
pensation, benefits, or services under this sub-
chapter.

“(7) RULE OF CONSTRUCTION.—Nothing in
this subsection shall be construed to limit the au-
thority of the Comptroller General of the United
States under section 716 of title 31.

“(e) GENERAL PROTOCOLS AND SECURITY.—

“(1) ESTABLISHMENT.—

“(A) IN GENERAL.—In order to ensure
strong information security and privacy stand-
ards, the Task Force shall establish protocols
for the secure transfer and storage of any infor-
mation provided to an individual or entity
under this section.
“(B) CONSIDERATIONS.—In establishing protocols under subparagraph (A), the Task Force shall consider any recommendations submitted to the Secretary by the Inspector General of the Department of Health and Human Services with respect to the secure transfer and storage of information, and to comply with privacy laws and best practices.

“(C) FRAUD CASE PROTECTION.—The Task Force shall establish protocols and procedures to enable information and materials relating to an active investigation of possible fraud relating to the FECA program to be appropriately kept separate from the files for employees relating to the provision of compensation, benefits, or services under the FECA program.

“(D) COMPUTER MATCHING BY FEDERAL AGENCIES FOR PURPOSES OF INVESTIGATION AND PREVENTION OF IMPROPER PAYMENTS AND FRAUD.—

“(i) IN GENERAL.—Except as provided in this subparagraph, in accordance with section 552a (commonly known as the Privacy Act of 1974), the Secretary, the Postmaster General, each Inspector Gen-
eral, and the head of each agency may enter into computer matching agreements that allow ongoing data matching (which shall include automated data matching) in order to assist in the detection and prevention of improper payments under the FECA program.

“(ii) Review.—Not later than 60 days after a proposal for an agreement under clause (i) has been presented to a Data Integrity Board established under section 552a(u) for consideration, the Data Integrity Board shall approve or deny the agreement.

“(iii) Termination Date.—An agreement under clause (i)—

“(I) shall have a termination date of less than 3 years; and

“(II) during the 3-month period ending on the date on which the agreement is scheduled to terminate, may be renewed by the agencies entering the agreement for not more than 3 years.
“(iv) MULTIPLE AGENCIES.—For purposes of this subparagraph, section 552a(o)(1) shall be applied by substituting ‘between the source agency and the recipient agency or non-Federal agency or an agreement governing multiple agencies’ for ‘between the source agency and the recipient agency or non-Federal agency’ in the matter preceding subparagraph (A).

“(v) COST-BENEFIT ANALYSIS.—An agreement under clause (i) may be entered without regard to section 552a(o)(1)(B), relating to a cost-benefit analysis of the proposed matching program.

“(vi) GUIDANCE BY THE OFFICE OF MANAGEMENT AND BUDGET.—Not later than 6 months after the date of enactment of the Workers’ Compensation Reform Act of 2015, and in consultation with the Council of Inspectors General on Integrity and Efficiency, the Secretary of Health and Human Services, the Commissioner of Social Security, and the head of any other relevant agency, the Director of the Office of Management and Budget shall—
“(I) issue guidance for agencies regarding implementing this subparagraph, which shall include standards for reimbursement costs, when necessary, between agencies; and

“(II) establish standards and develop standard matching agreements for the purpose of improving the process for establishing data use or computer matching agreements.

“(2) COMPLIANCE.—The Secretary, the Postmaster General, and each Inspector General shall ensure that any information provided to an individual or entity under this section is provided in accordance with protocols established under paragraph (1).

“(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to affect the rights of an individual under section 552a(p).

“(f) REPORT.—Not later than 1 year after the date of enactment of this section, and annually thereafter for 5 years, the Secretary shall submit a report on the activities of the Secretary under this section, including implementation of the Integrity and Compliance Program, to—
“(1) the Committee on Homeland Security and 
Governmental Affairs of the Senate; and 
“(2) the Committee on Oversight and Govern-
ment Reform and the Committee on Education and 
the Workforce of the House of Representatives. 
“(g) GAO REVIEW.—The Comptroller General of the 
United States shall— 
“(1) conduct periodic reviews of the Integrity 
and Compliance Program; and 
“(2) submit reports on the results of the re-
views under paragraph (1) to the Committee on 
Homeland Security and Governmental Affairs of the 
Senate and the Committee on Oversight and Govern-
ment Reform and the Committee on Education and 
the Workforce of the House of Representatives not 
later than— 
“(A) 2 years after the date of enactment 
of this section; and 
“(B) 3 years after submission of the report 
under subparagraph (A).”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—
The table of sections for chapter 81 is amended by insert-
ing after the item relating to section 8152 the following: 
“8153. Integrity and Compliance Program.”.
(c) Effective Date.—This section and the amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 513. AMOUNT OF COMPENSATION.

(a) Injuries to Face, Head, and Neck.—Section 8107(c)(21) is amended—

(1) by striking “not to exceed $3,500” and inserting “in proportion to the severity of the disfigurement, not to exceed $50,000,”; and

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

(b) Funeral Expenses.—Section 8134(a) is amended—

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

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

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

SEC. 514. TERRORISM INJURIES; ZONES OF ARMED CON-
FLICT.

(a) COVERING TERRORISM INJURIES.—Section
8102(b), is amended in the matter preceding paragraph
(1)—

(1) by inserting “or from an attack by a ter-
rorist or terrorist organization, either known or un-
known,” after “force or individual,”; and

(2) by striking “outside” and all that follows
through “(1979)” and inserting “outside of the
United States”.

(b) CONTINUATION OF PAY IN A ZONE OF ARMED
CONFLICT.—Section 8118, as amended by section 508(b)
of this Act, is amended—
(1) in subsection (b), by striking “Continuation” and inserting “Except as provided under subsection (d)(2), continuation”;

(2) in subsection (c), as redesignated by section 508(b)(5) of this Act, by striking “subsection (a)” and inserting “subsection (a) or (d)”;

(3) inserting before subsection (e) the following:

“(d) CONTINUATION OF PAY IN A ZONE OF ARMED CONFLICT.—

“(1) IN GENERAL.—Notwithstanding subsection (a), the United States shall authorize the continuation of pay of an employee described in subparagraph (A), (C), (D), or (E) of section 8101(1), who—

“(A) files a claim for a period of wage loss due to an injury in performance of duty in a zone of armed conflict (as determined by the Secretary of Labor under paragraph (3)); and

“(B) files the claim for such wage loss benefit with the immediate superior of the employee not later than 45 days after the later of—

“(i) the termination of the assignment of the employee to the zone of armed conflict; or
“(ii) the return of the employee to the United States.

“(2) CONTINUATION OF PAY.—Notwithstanding subsection (b), continuation of pay under this subsection shall be furnished for a period not to exceed 135 days without any break in time or waiting period, unless controverted under regulations prescribed by the Secretary of Labor.

“(3) DETERMINATION OF AREAS OF ARMED CONFLICT.—For purposes of this subsection, the Secretary of Labor, in consultation with the Secretary of State and the Secretary of Defense, shall determine whether a foreign country or other foreign geographic area outside of the United States (as defined in section 202(a)(7) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4302(a)(7)) is a zone of armed conflict based on whether—

“(A) the Armed Forces of the United States are involved in hostilities in the country or area;

“(B) the incidence of civil insurrection, civil war, terrorism, or wartime conditions threatens physical harm or imminent danger to
the health or well-being of United States civilian employees in the country or area;

“(C) the country or area has been designated a combat zone by the President under section 112(c) of the Internal Revenue Code of 1986;

“(D) a contingency operation involving combat operations directly affects civilian employees in the country or area; or

“(E) there exist other relevant conditions and factors.”.

SEC. 515. TECHNICAL AND CONFORMING AMENDMENTS.

Chapter 81 is amended—

(1) in section 8101(1)(D), by inserting “for an injury that occurred before the effective date of section 204(e) of the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93–198; 87 Stat. 783; 5 U.S.C. 8101 note)” before the semicolon; and

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

SEC. 516. REGULATIONS.

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

(b) CONTENTS.—The regulations promulgated under
subsection (a) shall include, for purposes of the amend-
ments made by sections 502 and 503, clarification of—

(1) what is a claim; and

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

SEC. 517. EFFECTIVE DATE.

Except as otherwise provided in this title, this title
and the amendments made by this title shall take effect
60 days after the date of enactment of this Act.