

112TH CONGRESS
1ST SESSION

S. _____

To amend the provisions of title 5, United States Code, relating to the methodology for calculating the amount of any Postal surplus or supplemental liability under the Civil Service Retirement System, and for other purposes.

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 amend the provisions of title 5, United States Code, relating to the methodology for calculating the amount of any Postal surplus or supplemental liability under the Civil Service Retirement System, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Postal Operations
5 Sustainment and Transformation Act of 2011”.

1 **TITLE I—ANNUITY AND RETIREE**
2 **HEALTH OBLIGATIONS**

3 **SEC. 101. TRANSFER OF AMOUNTS FROM THE CIVIL SERV-**
4 **ICE RETIREMENT AND DISABILITY FUND.**

5 Section 8348(h) of title 5, United States Code, is
6 amended—

7 (1) in paragraph (2), by striking subparagraphs
8 (B) and (C) and inserting the following:

9 “(B)(i) The Office shall—

10 “(I) redetermine the Postal surplus or
11 supplemental liability as of the close of
12 each of fiscal years 2010 through 2043, as
13 if this subsection (as amended by the Post-
14 al Operations Sustainment and Trans-
15 formation Act of 2011) had been in effect
16 since July 1, 1971; and

17 “(II) report the results of the redeter-
18 mination for each such fiscal year, includ-
19 ing appropriate supporting analyses and
20 documentation, to the United States Postal
21 Service on or before June 30 of the subse-
22 quent fiscal year.

23 “(ii) If the result of a redetermination
24 under clause (i) for a fiscal year is a surplus,

1 that amount shall remain in the Fund until dis-
2 tribution is authorized under subparagraph (C).

3 “(iii) Beginning June 15, 2017, if the re-
4 sult of a redetermination under clause (i) is a
5 supplemental liability, the Office shall establish
6 an amortization schedule, including a series of
7 annual installments commencing on September
8 30 of the subsequent fiscal year, that provides
9 for the liquidation of such liability by Sep-
10 tember 30, 2043.

11 “(C)(i) If the result of a redetermination
12 under subparagraph (B) for fiscal year 2010,
13 2011, 2012, 2013, 2014, 2015, or 2016 is a
14 surplus, that amount, or any part of that
15 amount, may be transferred to the Postal Serv-
16 ice Retiree Health Benefits Fund.

17 “(ii) If the result of a redetermination
18 under subparagraph (B) for any of fiscal years
19 2017 through 2043 is a surplus, that amount,
20 or any part of that amount, may be transferred
21 to—

22 “(I) the Postal Service Retiree Health
23 Benefits Fund to pay any liability to the
24 United States Postal Service Retiree
25 Health Benefits Fund; or

1 “(II) if all liability to the Postal Serv-
2 ice Retiree Health Benefits Fund is paid—

3 “(aa) the Employees’ Compensa-
4 tion Fund established under section
5 8147; or

6 “(bb) the United States Postal
7 Service for the repayment of any obli-
8 gation issued under section 2005 of
9 title 39.

10 “(iii) Any transfer under clause (i) shall
11 be—

12 “(I) made at the discretion of the
13 Board of Governors of the Postal Service
14 in the amount determined by the Board of
15 Governors, except the amount may not ex-
16 ceed the amount under section
17 8909a(d)(3)(A) remaining to be paid for
18 the applicable fiscal year; and

19 “(II) credited to the United States
20 Postal Service for payment of the amount
21 required under section 8909a(d)(3)(A) for
22 the applicable fiscal year.

23 “(iv) Any transfer under clause (ii) shall
24 be—

1 “(I) made at the discretion of the
2 Board of Governors of the Postal Service
3 in the amount determined by the Board of
4 Governors;

5 “(II) if transferred to the Postal Serv-
6 ice Retiree Health Benefits Fund, credited
7 to the United States Postal Service for
8 payment of any liability of the United
9 States Postal Service to the Postal Service
10 Retiree Health Benefits Fund for the ap-
11 plicable fiscal year; and

12 “(III) if transferred to the Employees’
13 Compensation Fund established under sec-
14 tion 8147, credited to the United States
15 Postal Service for payment of any liability
16 of the United States Postal Service under
17 chapter 81 for the applicable fiscal year.

18 “(v) The Board of Governors shall—

19 “(I) provide written notice to the Of-
20 fice of any amount to be transferred under
21 this clause, not later than September 15 of
22 the fiscal year following the fiscal year for
23 which the Office determines there is a
24 Postal surplus; and

1 “(II) take all actions of the Board
2 under this clause by a majority vote.

3 “(vi) The Office shall transfer any amount
4 determined by the Board of Governors to the
5 credit of the United States Postal Service in ac-
6 cordance with this clause.”; and

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

8 “(4) To the extent that a determination under
9 paragraph (1)(A) of the benefits attributable to civil-
10 ian employment with the United States Postal Serv-
11 ice is based on the first sentence of section 8339(a),
12 such determination shall be made in accordance with
13 such sentence and otherwise applicable provisions of
14 law, subject to the following:

15 “(A) The ‘average pay’ used in the case of
16 any individual shall be a single amount, deter-
17 mined in accordance with section 8331(4), tak-
18 ing into account the rates of basic pay in effect
19 for such individual during the periods of cred-
20 itable service performed by such individual.
21 Nothing in this subsection shall be construed to
22 permit or require—

23 “(i) one determination of average pay
24 with respect to service performed with the
25 United States Postal Service; and

1 “(ii) a separate determination of aver-
2 age pay with respect to service performed
3 with its predecessor entity in function, or
4 any other entity.

5 “(B) With respect to an annuity calculated
6 under section 8339(a), the Office shall calculate
7 the portion of such annuity attributable to civil-
8 ian employment with the United States Postal
9 Service which follows any other period of cred-
10 itable service under section 8332 (whether with
11 an entity referred to under subparagraph
12 (A)(ii) or otherwise) by—

13 “(i) determining the period of cred-
14 itable service not attributable to civilian
15 employment with the United States Postal
16 Service;

17 “(ii) adding the applicable percentages
18 under section 8339(a) to determine the
19 overall percentage earned under section
20 8339(a) for the period of creditable service
21 determined under clause (i);

22 “(iii) multiplying the overall percent-
23 age calculated under clause (ii) by the av-
24 erage pay (calculated in accordance with
25 subparagraph (A)) to determine the por-

1 tion of the annuity that is not attributable
2 to civilian employment with the United
3 States Postal Service; and

4 “(iv) subtracting the portion of the
5 annuity calculated under clause (iii) from
6 the total annuity to determine the portion
7 of the annuity attributable to civilian em-
8 ployment with the United States Postal
9 Service.

10 “(C) The calculation under subparagraph
11 (B) shall apply to all benefit payments that
12 have been issued, or which may be issued on or
13 after the date of enactment of the Postal Oper-
14 ations Sustainment and Transformation Act of
15 2011, that are allocable to the portion of the
16 annuity attributable to civilian employment with
17 the United States Postal Service under sub-
18 paragraph (B), including benefits payable to in-
19 dividuals who, at the time of the calculation,
20 are retired or employees eligible for benefits
21 under the Civil Service Retirement System.

22 “(D) The assets allocable to the Postal
23 Fund balance under paragraph (1)(B)(ii) shall
24 be adjusted to reflect the allocation required
25 under subparagraph (C) for the portion of ben-

1 efits that are not attributable to civilian em-
2 ployment with the United States Postal Service
3 and that were paid before the date of enact-
4 ment of the Postal Operations Sustainment and
5 Transformation Act of 2011.

6 “(E)(i) Except as provided in clause (ii),
7 the requirements of subparagraphs (B), (C),
8 and (D) shall not require the Office to revise—

9 “(I) any valuation or other report
10 issued before the date of enactment of the
11 Postal Operations Sustainment and Trans-
12 formation Act of 2011; or

13 “(II) any valuation or report that is
14 issued before the date that is 90 days after
15 the date of enactment of the Postal Oper-
16 ations Sustainment and Transformation
17 Act of 2011.

18 “(ii)(I) The first actuarial valuation issued
19 after the date that is 90 days after the date of
20 enactment of the Postal Operations
21 Sustainment and Transformation Act of 2011
22 shall reflect the retroactive allocation of all past
23 service liabilities as specified in this paragraph
24 and corresponding adjustment of assets.

1 “(II) Each actuarial valuation thereafter
2 shall reflect the subsequent changes in liabilities
3 and assets.

4 “(F) If the Office lacks complete data nec-
5 essary to make a determination required under
6 this subsection, the Office shall use its best esti-
7 mate and shall provide the United States Postal
8 Service with a written report describing the
9 method and any assumptions used in making
10 the determination.

11 “(G)(i) Not later than 10 days after mak-
12 ing any determination under this subsection,
13 the Office shall notify the United States Postal
14 Service of the determination.

15 “(ii) Not later than 30 days after the date
16 on which the United States Postal Service re-
17 ceives the notice under clause (i), the United
18 States Postal Service may request from the Of-
19 fice all supporting documentation reasonable
20 and necessary to review the determination.

21 “(iii) The Office shall respond fully to a
22 request under clause (ii) not later than 30 days
23 after the date on which the Office receives the
24 request.

1 “(iv) Not later than 90 days after the date
2 on which the United States Postal Service re-
3 ceives the information requested under clause
4 (ii), the United States Postal Service may ap-
5 peal the determination of the Office to the
6 Board of Actuaries of the Civil Service Retire-
7 ment System. The Board of Actuaries shall re-
8 view the computations of the Office and may
9 make any adjustment with respect to any such
10 amount which the Board determines appro-
11 priate. A determination by the Board of Actu-
12 aries under this paragraph shall be final.”.

13 **SEC. 102. TRANSFER OF AMOUNTS FROM THE FEDERAL EM-**
14 **PLOYEES RETIREMENT SYSTEM.**

15 (a) POSTAL SERVICE SURPLUS OR LIABILITY BASED
16 ON FEDERAL EMPLOYEES RETIREMENT SYSTEM CON-
17 TRIBUTIONS.—Section 8461 of title 5, United States
18 Code, is amended by adding at the end the following:

19 “(o)(1) In this subsection, the term ‘Postal surplus
20 or supplemental liability’ means the estimated difference,
21 as determined by the Office, between—

22 “(A) the actuarial present value of all future benefits
23 payable under this chapter from the Fund to current or
24 former employees of the United States Postal Service and

1 attributable to civilian employment with the United States
2 Postal Service; and

3 “(B) the sum of—

4 “(i) the actuarial present value of deductions to
5 be withheld from the future basic pay of employees
6 of the United States Postal Service currently subject
7 to this chapter under section 8422;

8 “(ii) the actuarial present value of the future
9 contributions to be made with respect to employees
10 of the United States Postal Service currently subject
11 to this chapter under section 8423(a);

12 “(iii) that portion of the Fund, as of the date
13 the Postal surplus or supplemental liability is deter-
14 mined, attributable to payments to the System by
15 the United States Postal Service and its employees,
16 minus benefit payments attributable to civilian em-
17 ployment with the United States Postal Service, plus
18 the earnings on such amounts while in the System;
19 and

20 “(iv) any other appropriate amount, as deter-
21 mined by the Office in accordance with generally ac-
22 cepted actuarial practices and principles.

23 “(2)(A) The Office shall determine the Postal surplus
24 or supplemental liability as of the close of the fiscal year

1 ending September 30, 2010, and for each fiscal year there-
2 after.

3 “(B)(i) If the result of a determination under sub-
4 paragraph (A) for a fiscal year is a surplus, the amount
5 of the surplus shall remain in the System until distribution
6 is authorized under this subparagraph.

7 “(ii) If the result of a determination under subpara-
8 graph (A) for fiscal year 2010, 2011, 2012, 2013, 2014,
9 2015, 2016, or 2017 is a surplus, that amount, or any
10 part of that amount, may be transferred to the Postal
11 Service Retiree Health Benefits Fund.

12 “(iii) If the result of a determination under subpara-
13 graph (A) for fiscal year 2017, or any fiscal year there-
14 after, is a surplus, that amount, or any part of that
15 amount, may be transferred to—

16 “(I) the Postal Service Retiree Health Benefits
17 Fund to pay any liability to the Postal Service Re-
18 tiree Health Benefits Fund; or

19 “(II) if all liability to the Postal Service Retiree
20 Health Benefits Fund is paid—

21 “(aa) the Employees’ Compensation Fund
22 established under section 8147; or

23 “(bb) the United States Postal Service for
24 the repayment of any obligation issued under
25 section 2005 of title 39.

1 “(iv) Any transfer under clause (ii) shall be—

2 “(I) made at the discretion of the Board of
3 Governors of the Postal Service in the amount deter-
4 mined by the Board of Governors, except the
5 amount may not exceed the amount under section
6 8909a(d)(3)(A) remaining to be paid for the applica-
7 ble fiscal year; and

8 “(II) credited to the Postal Service for payment
9 of the amount required under section
10 8909a(d)(3)(A) for the applicable fiscal year.

11 “(v) Any transfer under clause (iii) shall be—

12 “(I) made at the discretion of the Board of
13 Governors of the Postal Service in the amount deter-
14 mined by the Board of Governors;

15 “(II) if transferred to the Postal Service Re-
16 tiree Health Benefits Fund, credited to the Postal
17 Service for payment of any liability of the Postal
18 Service to the Postal Service Retiree Health Benefits
19 Fund for the applicable fiscal year; and

20 “(III) if transferred to the Employees’ Com-
21 pensation Fund established under section 8147,
22 credited to the Postal Service for payment of any li-
23 ability of the Postal Service under chapter 81 for the
24 applicable fiscal year.

25 “(vi) The Board of Governors shall—

1 “(I) provide written notice to the Office of any
2 amount to be transferred under this subparagraph
3 not later than September 15 of the fiscal year fol-
4 lowing the fiscal year for which the Office deter-
5 mines there is a Postal surplus; and

6 “(II) take all actions of the Board under this
7 subparagraph by a majority vote.

8 “(vii) The Office shall transfer any amount deter-
9 mined by the Board of Governors to the credit of the Post-
10 al Service in accordance with this subparagraph.

11 “(C)(i) Beginning June 15, 2017, if the result of a
12 determination under subparagraph (A) is a supplemental
13 liability, the Office shall establish an amortization sched-
14 ule, including a series of annual installments commencing
15 on September 30 of the subsequent fiscal year, which pro-
16 vides for the liquidation of such liability over 30 years.

17 “(ii) An amortization schedule under this subpara-
18 graph shall be established in accordance with generally ac-
19 cepted actuarial practices and principles, with interest
20 computed at the rate used in the then most recent valu-
21 ation of the System.

22 “(iii) The United States Postal Service shall pay each
23 amount required under an amortization schedule under
24 this subparagraph to the Office, not later than the date
25 scheduled by the Office.

1 “(3) Notwithstanding any other provision of law, the
2 amount of any payment under any other subsection of this
3 section that is based upon the amount of the supplemental
4 liability shall be computed disregarding the portion of the
5 supplemental liability that the Office determines will be
6 liquidated by payments under this subsection.

7 “(4)(A) Not later than 10 days after making a deter-
8 mination under paragraph (2), the Office shall notify the
9 United States Postal Service of the determination.

10 “(B) Not later than 30 days after the date on which
11 the United States Postal Service receives the notice under
12 subparagraph (A), the United States Postal Service may
13 request from the Office all supporting documentation rea-
14 sonable and necessary to review the determination.

15 “(C) The Office shall respond fully to a request under
16 subparagraph (B) not later than 30 days after the date
17 on which the Office receives the request.

18 “(D) Not later than 90 days after the date on which
19 the United States Postal Service receives the information
20 requested under subparagraph (B), the United States
21 Postal Service may appeal the determination of the Office
22 to the Board of Actuaries of the Civil Service Retirement
23 System. The Board of Actuaries shall review the computa-
24 tions of the Office and may make any adjustment with
25 respect to any such amount which the Board determines

1 appropriate. A determination by the Board of Actuaries
2 under this subsection shall be final.”.

3 **SEC. 103. CALCULATING THE POSTAL SERVICE RETIREE**
4 **HEALTH BENEFITS FUND LIABILITY ON**
5 **LONG-TERM FUNDING BASIS.**

6 Section 8909a(d)(4) of title 5, United States Code,
7 is amended to read as follows:

8 “(4) Computations under this subsection shall be—

9 “(A) made consistent with the entry-age normal
10 cost method; and

11 “(B) based on—

12 “(i) the economic assumptions used in de-
13 termining the Postal surplus or supplemental li-
14 ability under section 8348(h) of this title, ex-
15 cept that a different discount rate may be ap-
16 plied if necessary to reflect the experience of
17 the Postal Service Retiree Health Benefits
18 Fund; and

19 “(ii) such other assumptions, including a
20 health care cost trend rate, as the Board of Ac-
21 tuaries of the Civil Service Retirement System
22 determine appropriate.”.

1 **SEC. 104. REPORTING OF DATA BASED ON ASSUMPTIONS**
2 **OF BOARD OF ACTUARIES.**

3 Section 3654(b)(2) of title 39, United States Code,
4 is amended by adding at the end the following: “The Of-
5 fice shall at a minimum provide data that are based on
6 the assumptions set by the Board of Actuaries of the Civil
7 Service Retirement System and used in the actuarial valu-
8 ation of the Postal Service’s annuity and postretirement
9 health obligations under sections 8348 and 8909a.”.

10 **TITLE II—POSTAL SERVICE**
11 **RESTRUCTURING**

12 **SEC. 201. POSTAL POLICY.**

13 Section 101(b) of title 39, United States Code, is
14 amended—

15 (1) by striking “a maximum degree of”; and

16 (2) by striking “where post offices” and all that
17 follows through “a deficit”.

18 **SEC. 202. SPECIFIC POWERS OF THE UNITED STATES POST-**
19 **AL SERVICE.**

20 Section 404(d)(2) of title 39, United States Code, is
21 amended—

22 (1) by redesignating subparagraphs (A) and
23 (B) as subparagraphs (B) and (C), respectively;

24 (2) by inserting before subparagraph (B), as so
25 redesignated, the following:

1 “(A) shall give primary consideration to
2 whether such closing or consolidation is con-
3 sistent with the intent of Congress, as stated in
4 section 101(b), that the Postal Service shall
5 provide effective and regular postal services to
6 rural areas, communities, and small towns;”;
7 and
8 (3) in subparagraph (B), as so redesignated—
9 (A) by striking clause (iii); and
10 (B) by redesignating clauses (iv) and (v)
11 as clauses (iii) and (iv), respectively.

12 **SEC. 203. EXPANSION OF RETAIL ALTERNATIVES.**

13 (a) IN GENERAL.—The United States Postal Service
14 shall develop a plan for the expansion of retail alternatives
15 to post offices, such as—

- 16 (1) self-service kiosks;
- 17 (2) vending machines;
- 18 (3) the Internet;
- 19 (4) Postal Service employees or contractors on
20 delivery routes; and
- 21 (5) contract postal units.

22 (b) CONTENTS.—In developing the plan under sub-
23 section (a), the Postal Service shall—

- 24 (1) where possible, provide for an increase in
25 customers’ access to postal services;

1 (2) consider the impact of any decisions on
2 small communities and rural areas; and

3 (3) ensure that—

4 (A) postal service continues in small com-
5 munities and rural areas after implementation
6 of the plan; and

7 (B) community input is solicited where
8 otherwise required by Federal law.

9 (c) SUBMISSION OF PLAN.—Not later than 90 days
10 after the date of enactment of this Act, the United States
11 Postal Service shall—

12 (1) submit the plan developed under subsection
13 (a) to the Committee on Homeland Security and
14 Governmental Affairs of the Senate and the Com-
15 mittee on Oversight and Governmental Reform of
16 the House of Representatives; and

17 (2) make the plan available to the public.

18 (d) REPORT ON PROGRESS.—Each of the first 5
19 years after the date of enactment of this Act, the Post-
20 master General shall include in the annual report under
21 section 2402 of title 39, United States Code, an update
22 on the progress made in implementing the plan under this
23 section.

1 **SEC. 204. SERVICE STANDARDS.**

2 Not later than 1 year after the date of enactment
3 of this Act, the United States Postal Service shall exercise
4 its authority under section 3691 of title 39, United States
5 Code, to establish service standards for market-dominant
6 products that guarantee Postal Service customers a degree
7 of access to postal services that is consistent with—

8 (1) the obligations of the United States Postal
9 Service under section 101(b) of title 39, United
10 States Code, as amended by this Act; and

11 (2) the contents of the plan developed under
12 section 203 of this Act.

13 **SEC. 205. NO LIMITATION ON CHANGES IN FREQUENCY OF**
14 **MAIL DELIVERY.**

15 Notwithstanding any other provision of law, the
16 United States Postal Service shall exercise its authority
17 under section 3691 of title 39, United States Code, to ad-
18 just the frequency of the delivery of market-dominant
19 products.

20 **SEC. 206. TIME LIMITS FOR CONSIDERATION OF SERVICE**
21 **CHANGES.**

22 Section 3661 of title 39, United States Code, is
23 amended by striking subsections (b) and (c) and inserting
24 the following:

25 “(b) PROPOSED CHANGES FOR MARKET-DOMINANT
26 PRODUCTS.—

1 “(1) SUBMISSION OF PROPOSAL.—If the Postal
2 Service determines that there should be a change in
3 the nature of postal services relating to market-dom-
4 inant products that will generally affect service on a
5 nationwide or substantially nationwide basis, it shall
6 submit a proposal to the Postal Regulatory Commis-
7 sion requesting an advisory opinion on the change.

8 “(2) ADVISORY OPINION.—Upon receipt of a
9 proposal under paragraph (1), the Postal Regulatory
10 Commission shall—

11 “(A) provide an opportunity for public
12 comment on the proposal; and

13 “(B) not later than 90 days after the date
14 of receipt, issue an advisory opinion.

15 “(3) RESPONSE TO OPINION.—The Postal Serv-
16 ice shall submit to the President and to Congress a
17 response to the advisory opinion issued under para-
18 graph (2), including any recommendations contained
19 therein.

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

23 “(A) on or after the date that is 30 days
24 after the date on which the Postal Service sub-

1 mits the response required under paragraph
2 (3); or

3 “(B) after the date described in paragraph
4 (2)(B), if—

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

9 “(ii) the action is not otherwise pro-
10 hibited under Federal law.”.

11 **TITLE III—ENHANCED**
12 **COMMERCIAL FLEXIBILITY**

13 **SEC. 301. COOPERATION WITH OTHER AGENCIES.**

14 Section 411 of title 39, United States Code, is
15 amended in the first sentence by striking “and the Gov-
16 ernment Printing Office” inserting “, the Government
17 Printing Office, and agencies and other units of State and
18 local governments”.

19 **SEC. 302. WINE AND BEER SHIPPING.**

20 (a) MAILABILITY.—

21 (1) NONMAILABLE ARTICLES.—Section 1716(f)
22 of title 18, United States Code, is amended by strik-
23 ing “mails” and inserting “mails, except to the ex-
24 tent that the mailing is allowable under section
25 3001(p) of title 39”.

1 (2) INTOXICANTS.—Section 1154(a) of title 18,
2 United States Code, is amended, by inserting “or,
3 with respect to the mailing of wine or malt bev-
4 erages, to the extent allowed under section 3001(p)
5 of title 39” after “mechanical purposes”.

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

9 “(p)(1) Wine or malt beverages shall be considered
10 mailable if mailed—

11 “(A) by a licensed winery or brewery, in accord-
12 ance with applicable regulations under paragraph
13 (2); and

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

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

20 “(A) the mailing shall be by a means estab-
21 lished by the Postal Service to ensure direct delivery
22 to the addressee or a duly authorized agent at a
23 postal facility;

24 “(B) the addressee (and any duly authorized
25 agent) shall be an individual at least 21 years of

1 age, and shall present a valid, government-issued
2 photo identification at the time of delivery;

3 “(C) the wine or malt beverages may not be for
4 resale or other commercial purpose; and

5 “(D) the winery or brewery involved shall—

6 “(i) certify in writing to the satisfaction of
7 the Postal Service, through a registration proc-
8 ess administered by the Postal Service, that the
9 mailing is not in violation of any provision of
10 this subsection or regulation prescribed under
11 this subsection; and

12 “(ii) provide any other information or af-
13 firmation that the Postal Service may require,
14 including with respect to the prepayment of
15 State alcohol beverage taxes.

16 “(3) For purposes of this subsection—

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

19 “(i) under the Federal Alcohol Administra-
20 tion Act; and

21 “(ii) under the law of the State in which
22 the winery is located; and

23 “(B) a brewery shall be considered to be li-
24 censed if—

1 “(i) it possesses a notice of registration
2 and bond approved by the Alcohol and Tobacco
3 Tax and Trade Bureau of the Department of
4 the Treasury; and

5 “(ii) it is licensed to manufacture and sell
6 beer in the State in which the brewery is lo-
7 cated.”.

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

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

13 (2) 120 days after the date of enactment of this
14 Act.

15 **SEC. 303. PRESERVING VOLUME.**

16 (a) MODERN RATE REGULATION.—Section
17 3622(c)(10) of title 39, United States Code, is amended
18 by striking subparagraph (A) and inserting the following:

19 “(A) result in compliance by the applicable
20 class of mail with the standard under para-
21 graph (2); and”.

22 (b) NEW PRODUCTS AND TRANSFERS OF PRODUCTS
23 BETWEEN THE MARKET-DOMINANT AND COMPETITIVE
24 CATEGORIES OF MAIL.—Section 3642(d) of title 39,
25 United States Code, is amended—

1 (1) in subsection (d), by adding at the end the
2 following:

3 “(3) TIMING OF REVIEW.—The Postal Regu-
4 latory Commission shall issue a final decision on any
5 request to add, transfer, or remove—

6 “(A) a market-dominant product or com-
7 petitive product of general applicability, not
8 later than 45 days after the date of the filing
9 of the request; and

10 “(B) a competitive product that is not of
11 general applicability, not later than 15 days
12 after the date of the filing of the request.”; and
13 (2) in subsection (e)—

14 (A) in paragraph (2), by striking the pe-
15 riod at the end and inserting “; or”;

16 (B) by redesignating paragraphs (1) and
17 (2) as subparagraphs (A) and (B), respectively,
18 and adjusting the margins accordingly;

19 (C) by striking “unless it” and inserting
20 the following: unless—

21 “(1) it”; and

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

23 “(2) the Postal Regulatory Commission has
24 failed to issue a final decision under subsection (d)
25 before the date required under subsection (d)(3).”.

1 **SEC. 304. NON-POSTAL PRODUCTS AND SERVICES.**

2 (a) SPECIFIC POWERS.—Section 404 of title 39,
3 United States Code, is amended—

4 (1) in subsection (a)—

5 (A) by redesignating paragraphs (6)
6 through (8) as paragraphs (7) through (9), re-
7 spectively; and

8 (B) by inserting after paragraph (5) the
9 following:

10 “(6) to provide other services that are not post-
11 al services, as defined in section 102(5), after—

12 “(A) the Postal Regulatory Commission—

13 “(i) makes a determination under sec-
14 tion 3642 that the provision of such serv-
15 ices utilizes the processing, transportation,
16 delivery, retail network, or technology of
17 the Postal Service in a manner that is con-
18 sistent with the public interest and that
19 does not create unfair competition;

20 “(ii) publishes the notice required
21 under section 3642(d)(1) with respect to
22 the determination; and

23 “(iii) classifies each such service as a
24 market-dominant product, competitive
25 product, experimental product, or new

1 product, as required under chapter 36 of
2 title 39, United States Code;” and

3 (2) in subsection (e)(1), by inserting before the
4 period at the end the following: “, except that the
5 term ‘nonpostal service’ shall not include any service
6 that may be offered pursuant to specific authority in
7 this title or pursuant to other statutory authority”.

8 **TITLE IV—MISCELLANEOUS**
9 **PROVISIONS**

10 **SEC. 401. ARBITRATION; LABOR DISPUTES.**

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

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

14 (2) by striking the last sentence and inserting
15 “The arbitration board shall render a decision not
16 later than 45 days after the date of its appoint-
17 ment.”; and

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

19 “(B) In rendering a decision under this para-
20 graph, the arbitration board shall consider such rel-
21 evant factors as—

22 “(i) the financial condition of the Postal
23 Service;

24 “(ii) the flexibilities and restrictions in the
25 rate system established under the Postal Ac-

1 countability and Enhancement Act (Public Law
2 109–435; 120 Stat. 3198), and the amend-
3 ments made by that Act; and

4 “(iii) the requirement related to pay and
5 compensation comparability under section
6 1003(a) of this title.”.

7 **SEC. 402. REVISED REPORTING REQUIREMENT.**

8 Section 3652(a) of title 39, United States Code, is
9 amended by striking “90 days after the end of each year”
10 and inserting “the next January 15 after the end of each
11 year”.

12 **SEC. 403. DELEGATION OF AUTHORITY.**

13 Section 402 of title 39, United States Code, is
14 amended to read as follows:

15 **“§ 402. Delegation of authority**

16 “(a) DELEGATION PERMITTED.—The Board of Gov-
17 ernors may delegate the authority vested in it, including
18 the powers, duties, and obligations specifically vested in
19 the Governors, to the Postmaster General under such
20 terms, conditions, and limitations, including the power of
21 redelegation, as it deems desirable.

22 “(b) COMMITTEES.—The Board may establish such
23 committees of the Board, and delegate such powers to any
24 committee, as the Board determines appropriate to carry
25 out its functions and duties.

1 “(c) OTHER PROVISIONS.—Delegations to the Post-
2 master General or committees shall be consistent with
3 other provisions of this title, shall not relieve the Board
4 of full responsibility for the carrying out of its duties and
5 functions, or for ensuring that the Postmaster General
6 complies with all applicable provisions of law, and shall
7 be revocable by the Governors in their exclusive judg-
8 ment.”.

9 **SEC. 404. CONTRACT DISPUTES.**

10 Section 7101(8) of title 41, United States Code, is
11 amended—

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

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

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

17 “(E) the United States Postal Service and
18 the Postal Regulatory Commission.”.