

HR 4341

Postal Accountability and Enhancement Act

Congress: 108 (2003–2005, Ended)

Chamber: House

Policy Area: Government Operations and Politics

Introduced: May 12, 2004

Current Status: Placed on the Union Calendar, Calendar No. 427.

Latest Action: Placed on the Union Calendar, Calendar No. 427. (Sep 23, 2004)

Official Text: <https://www.congress.gov/bill/108th-congress/house-bill/4341>

Sponsor

Name: Rep. McHugh, John M. [R-NY-23]

Party: Republican • **State:** NY • **Chamber:** House

Cosponsors (76 total)

Cosponsor	Party / State	Role	Date Joined
Del. Norton, Eleanor Holmes [D-DC-At Large]	D · DC		May 12, 2004
Rep. Blackburn, Marsha [R-TN-7]	R · TN		May 12, 2004
Rep. Burton, Dan [R-IN-5]	R · IN		May 12, 2004
Rep. Cannon, Chris [R-UT-3]	R · UT		May 12, 2004
Rep. Carter, John R. [R-TX-31]	R · TX		May 12, 2004
Rep. Davis, Danny K. [D-IL-7]	D · IL		May 12, 2004
Rep. Davis, Tom [R-VA-11]	R · VA		May 12, 2004
Rep. Deal, Nathan [R-GA-10]	R · GA		May 12, 2004
Rep. Duncan, John J., Jr. [R-TN-2]	R · TN		May 12, 2004
Rep. Harris, Katherine [R-FL-13]	R · FL		May 12, 2004
Rep. LaTourette, Steven C. [R-OH-14]	R · OH		May 12, 2004
Rep. Lewis, Ron [R-KY-2]	R · KY		May 12, 2004
Rep. Lynch, Stephen F. [D-MA-9]	D · MA		May 12, 2004
Rep. Maloney, Carolyn B. [D-NY-14]	D · NY		May 12, 2004
Rep. Mica, John L. [R-FL-7]	R · FL		May 12, 2004
Rep. Miller, Candice S. [R-MI-10]	R · MI		May 12, 2004
Rep. Murphy, Tim [R-PA-18]	R · PA		May 12, 2004
Rep. Owens, Major R. [D-NY-11]	D · NY		May 12, 2004
Rep. Platts, Todd Russell [R-PA-19]	R · PA		May 12, 2004
Rep. Putnam, Adam H. [R-FL-12]	R · FL		May 12, 2004
Rep. Schrock, Edward L. [R-VA-2]	R · VA		May 12, 2004
Rep. Shays, Christopher [R-CT-4]	R · CT		May 12, 2004
Rep. Tiberi, Patrick J. [R-OH-12]	R · OH		May 12, 2004
Rep. Turner, Michael R. [R-OH-3]	R · OH		May 12, 2004
Rep. Watson, Diane E. [D-CA-33]	D · CA		May 12, 2004
Rep. Waxman, Henry A. [D-CA-30]	D · CA		May 12, 2004
Rep. Clay, Wm. Lacy [D-MO-1]	D · MO		May 17, 2004
Rep. Emerson, Jo Ann [R-MO-8]	R · MO		May 18, 2004
Rep. Lantos, Tom [D-CA-12]	D · CA		May 18, 2004
Rep. Weldon, Curt [R-PA-7]	R · PA		May 18, 2004
Rep. Boucher, Rick [D-VA-9]	D · VA		May 19, 2004
Rep. Ford, Harold E., Jr. [D-TN-9]	D · TN		May 19, 2004
Rep. McCarthy, Karen [D-MO-5]	D · MO		May 19, 2004
Rep. McIntyre, Mike [D-NC-7]	D · NC		May 19, 2004
Rep. Rush, Bobby L. [D-IL-1]	D · IL		May 19, 2004
Rep. Cubin, Barbara [R-WY-At Large]	R · WY		May 20, 2004
Rep. Pomeroy, Earl [D-ND-At Large]	D · ND		May 20, 2004
Rep. Evans, Lane [D-IL-17]	D · IL		Jun 1, 2004
Rep. Moore, Dennis [D-KS-3]	D · KS		Jun 1, 2004
Rep. Ross, Mike [D-AR-4]	D · AR		Jun 1, 2004
Rep. Boehlert, Sherwood [R-NY-24]	R · NY		Jun 3, 2004

Cosponsor	Party / State	Role	Date Joined
Rep. Frank, Barney [D-MA-4]	D · MA		Jun 3, 2004
Rep. Slaughter, Louise McIntosh [D-NY-28]	D · NY		Jun 3, 2004
Rep. Rahall, Nick J., II [D-WV-3]	D · WV		Jun 9, 2004
Rep. Baird, Brian [D-WA-3]	D · WA		Jun 14, 2004
Rep. Capito, Shelley Moore [R-WV-2]	R · WV		Jun 14, 2004
Rep. LaHood, Ray [R-IL-18]	R · IL		Jun 14, 2004
Rep. McDermott, Jim [D-WA-7]	D · WA		Jun 14, 2004
Rep. Payne, Donald M. [D-NJ-10]	D · NJ		Jun 14, 2004
Rep. Wilson, Joe [R-SC-2]	R · SC		Jun 14, 2004
Rep. Bradley, Jeb [R-NH-1]	R · NH		Jun 15, 2004
Rep. Davis, Lincoln [D-TN-4]	D · TN		Jun 15, 2004
Rep. Bilirakis, Michael [R-FL-9]	R · FL		Jun 16, 2004
Rep. Lucas, Ken [D-KY-4]	D · KY		Jun 16, 2004
Rep. Moran, James P. [D-VA-8]	D · VA		Jun 16, 2004
Rep. Berkley, Shelley [D-NV-1]	D · NV		Jun 18, 2004
Rep. Michaud, Michael H. [D-ME-2]	D · ME		Jul 6, 2004
Rep. Meek, Kendrick B. [D-FL-17]	D · FL		Jul 7, 2004
Rep. Towns, Edolphus [D-NY-10]	D · NY		Jul 7, 2004
Rep. Larson, John B. [D-CT-1]	D · CT		Jul 9, 2004
Rep. Price, David E. [D-NC-4]	D · NC		Jul 15, 2004
Rep. Diaz-Balart, Lincoln [R-FL-21]	R · FL		Jul 21, 2004
Rep. Chandler, Ben [D-KY-6]	D · KY		Sep 7, 2004
Rep. Conyers, John, Jr. [D-MI-14]	D · MI		Sep 7, 2004
Rep. Green, Mark [R-WI-8]	R · WI		Sep 7, 2004
Rep. Sánchez, Linda T. [D-CA-39]	D · CA		Sep 7, 2004
Rep. Sherman, Brad [D-CA-27]	D · CA		Sep 7, 2004
Rep. Costello, Jerry F. [D-IL-12]	D · IL		Sep 14, 2004
Rep. Pallone, Frank, Jr. [D-NJ-6]	D · NJ		Sep 21, 2004
Rep. Allen, Thomas H. [D-ME-1]	D · ME		Sep 22, 2004
Rep. Ferguson, Mike [R-NJ-7]	R · NJ		Sep 22, 2004
Rep. Harman, Jane [D-CA-36]	D · CA		Sep 22, 2004
Rep. McNulty, Michael R. [D-NY-21]	D · NY		Sep 22, 2004
Rep. Oxley, Michael G. [R-OH-4]	R · OH		Sep 22, 2004
Rep. Simmons, Rob [R-CT-2]	R · CT		Sep 22, 2004
Rep. Van Hollen, Chris [D-MD-8]	D · MD		Sep 22, 2004

Committee Activity

Committee	Chamber	Activity	Date
Judiciary Committee	House	Reported By	Sep 23, 2004
Oversight and Government Reform Committee	House	Reported By	Sep 9, 2004

Subjects & Policy Tags

Policy Area:

Government Operations and Politics

Related Bills

Bill	Relationship	Last Action
108 S 2468	Related bill	Aug 25, 2004: Placed on Senate Legislative Calendar under General Orders. Calendar No. 674.

Postal Accountability and Enhancement Act - **Title I: Definitions; Postal Services** - (Sec. 101) Amends Federal postal law to add definitions.

(Sec. 102) States that nothing in this Act shall be considered to: (1) permit or require the Postal Service to provide any special nonpostal or similar services; or (2) prevent the Postal Service from providing any such services provided as of May 12, 2004.

(Sec. 103) Mandates that the Postal Service be subject to a high degree of transparency, including in its finances and operations.

Title II: Modern Rate Regulation - (Sec. 201) Directs the Postal Regulatory Commission (PRC) (established by this Act) to establish a modern system for regulating rates and classes for market-dominant products (all first-class mail and special services, periodicals, non-parcel post standard mail, media mail, library mail, and bound printed matter). Prohibits the PRC, in such regulation, from allowing the average rate in any subclass of mail to increase at an annual rate greater than the comparable increase in the Consumer Price Index, unless it has determined that such increase is reasonable and necessary to enable the Postal Service to maintain and continue the development of postal services adapted to the needs of the United States.

(Sec. 202) Directs the Postal Service Board of Governors to establish rates and classes for products in the competitive category of mail (priority mail, expedited mail, mailgrams, international mail, and parcel post).

Directs the PRC to promulgate (and from time to time revise) regulations to: (1) prohibit the subsidization of competitive products by market-dominant products; (2) ensure that each competitive product covers its attributable costs; and (3) ensure that all competitive products collectively make a reasonable contribution to Postal Service institutional costs.

(Sec. 203) Authorizes the Postal Service, under specified conditions, to conduct market tests of experimental products, requiring notification of the PRC of the nature and scope of each test. Prohibits a market test from exceeding 24 months, but allows the PRC to extend such period up to 12 additional months when determined necessary.

Authorizes the PRC, following specified criteria, to change the lists of market-dominant products and competitive products by adding or removing products, or transferring products between lists. Prohibits the transfer from the market-dominant category of products covered by the postal monopoly. Requires the Postal Service to notify the PRC whenever it requests to add a product or transfer a product to a different category. Prohibits a product that involves the carriage of letters, printed matter, or mailable packages from being offered by the Postal Service unless it has been assigned to the market-dominant or competitive category of mail.

(Sec. 204) Requires the PRC to report annually to the President and Congress on PRC operations under this title.

Requires annual reports from the Postal Service to the PRC which: (1) analyze Postal Service costs, revenues, and rates; and (2) provide market information and measures of quality of service with respect to market-dominant products provided. Requires such reports to: (1) be audited by the PRC Inspector General; and (2) include information relating to workshare discounts (discounts provided to mailers for presorting, barcoding, etc.). Requires the PRC, after receiving such reports, to make annual determinations of Postal Service compliance with regulatory requirements.

(Sec. 205) Repeals current provisions concerning postal service and rate complaints procedures and an annual report on

international services provided by the Postal Service. Establishes new complaint procedures which require the PRC to begin proceedings on, or dismiss, complaints within 90 days, and treating as dismissed complaints not acted on within such period. Authorizes the PRC to: (1) order the Postal Service to take appropriate corrective actions with respect to determined violations; and (2) suspend rates or classifications not of general applicability throughout the United States or a substantial region thereof. Authorizes appellate review for persons adversely affected by any PRC final order or decision.

(Sec. 206) Directs the PRC to establish rules for workshare discounts to ensure that such discounts do not exceed the cost that the Postal Service avoids as the result of private sector workshare activity (with exceptions). Requires the Postal Service to notify the PRC whenever it establishes or revises a workshare discount rate.

Title III: Provisions Relating to Fair Competition - (Sec. 301) Establishes in the Treasury a revolving Postal Service Competitive Products Fund to be available to the Postal Service without fiscal year limitation for the payment of: (1) costs attributable to competitive products; and (2) all other costs incurred by the Postal Service, to the extent allocable to competitive products. Provides for deposits into, and administration of, the Fund. Requires reports from the Postal Service to the Secretary of the Treasury and the PRC with respect to Fund administration and uses.

(Sec. 302) Requires the Postal Service to: (1) compute its assumed Federal income tax (which would be the taxable income of a corporation) on competitive products income for each year; and (2) transfer from the above Fund to the Postal Service Fund the amount of the assumed tax.

(Sec. 303) Prohibits the Postal Service from: (1) establishing anti-competitive rules or regulations; (2) compelling the disclosure, transfer, or licensing of intellectual property to any third party; or (3) obtaining information from a person that provides any product, and then offering any product or service that uses or is based in whole or part on such information, without the person's consent.

(Sec. 304) Subjects all Postal Service: (1) activities to Federal laws prohibiting the conduct of business in a fraudulent manner; and (2) conduct with respect to competitive products to Federal antitrust laws and unfair competition standards. Eliminates Postal Service sovereign immunity protection. Requires the Postal Service to: (1) consider local zoning or land use regulations and building codes when constructing or altering buildings; and (2) represent itself in most legal proceedings (currently, representation is provided through the Department of Justice).

(Sec. 305) Makes the Secretary of State responsible for foreign policy related to international postal services and other international delivery services. Provides for the application of customs laws with respect to such services.

Title IV: General Provisions - (Sec. 401) Revises qualification requirements with respect to members of the Postal Service Board of Governors. Requires the President to consult with specified congressional leaders in selecting individuals for Board nomination. Requires one of the nine Board members to be chosen from among persons unanimously nominated by labor unions recognized as collective-bargaining representatives for Postal Service employees.

(Sec. 402) Maintains the annual \$3 billion cap on Postal Service borrowing for capital investments and operating expenses, while eliminating individual caps on each.

(Sec. 403) Revises provisions concerning the private carriage of letters (letters carried outside of normal mail service by a private carrier) to allow such private carriage in three new circumstances: (1) when the amount paid to a private carrier is at least six times the rate then currently charged for the first ounce of a single-piece first-class letter; (2) when the letter

weighs at least 12 and a half ounces; and (3) when private carriage is within the scope of current Postal Service regulations that purport to suspend the operation of current law.

(Sec. 405) Prohibits any amendment made by or under this Act from restricting, expanding, or otherwise affecting any rights, privileges, or benefits under collective bargaining agreements.

(Sec. 406) Authorizes the Postal Service to establish one or more programs to provide bonuses and other rewards to Postal Service officers and employees. Requires bonus or reward information to be included in currently-required annual Postal Service comprehensive statements.

(Sec. 407) Requires the Director of the Federal Mediation and Conciliation Service, in Postal Service collective bargaining disputes and in lieu of a current fact-finding panel, to appoint a national mediator who is a member of the National Academy of Arbitrators.

Title V: Enhanced Regulatory Commission - (Sec. 501) Replaces the Postal Rate Commission with the PRC. Sets forth the terms and required qualifications of the five Commissioners. Authorizes and directs the PRC to issue rules and regulations.

(Sec. 502) Provides PRC authority to administer oaths, examine witnesses, receive evidence, issue subpoenas, and order the taking of depositions and responses to written interrogatories.

(Sec. 503) Repeals Federal provisions which subjects the annual PRC budget to disapproval by the Board of Governors.

(Sec. 505) Requires the PRC to designate a PRC officer to represent the public interest in all public proceedings of the PRC.

Title VI: Inspectors General - (Sec. 601) Amends the Inspector General Act of 1978 to provide for a PRC Inspector General.

(Sec. 602) Requires Inspector General appointment by the President with Senate confirmation. Subjects the Postal Service to provisions of the Anti-Kickback Act of 1986 (protections against contractor kickbacks). Authorizes the Inspector General to audit Postal Service financial statements.

Title VII: Evaluations - (Sec. 701) Directs the Postal Service to report to the President, Congress, and the PRC on universal postal service in the United States. Requires the PRC to submit an evaluation of such report to the President and Congress.

(Sec. 702) Requires a report from the PRC to the President and Congress, at least every five years, concerning: (1) the operation of amendments made by this Act; and (2) recommendations for improving the effectiveness or efficiency of U.S. postal laws.

(Sec. 703) Requires a report from the Federal Trade Commission to the President, Congress, and the PRC identifying Federal and State laws that apply differently to the Postal Service with respect to the competitive category of mail and private companies providing similar products.

(Sec. 704) Requires the Board of Governors to study, and report to the President and Congress concerning, the extent to which women and minorities are represented in Postal Service supervisory and management positions.

(Sec. 705) Directs the Postal Service to: (1) develop, and be prepared to implement, a comprehensive plan for providing

reemployment assistance to displaced employees; and (2) submit to Congress and the Board of Governors a written report describing such plan.

(Sec. 706) Requires the Board of Governors to report to the President and Congress on the number and value of contracts and subcontracts the Postal Service has entered into with women, minorities, and small businesses.

(Sec. 707) Directs the Postal Service to study, and report to the President and Congress on, information used in determining postal costs attributable to periodicals, as well as improvements in their collection, handling, transportation, and delivery.

(Sec. 708) Requires the PRC Inspector General to study and report to the President, Congress, and Postal Service on the process by which postal rate assessments are determined and appealed.

(Sec. 709) Requires a report from the Postal Service to the President, Congress, and Board of Governors on the postal processing and distribution network.

Title VIII: Miscellaneous; Technical and Conforming Amendments - (Sec. 801) Makes permanent (currently, only for the current fiscal year) the authority of the Postal Service to employ postal police officers to protect postal property and persons on such property.

(Sec. 802) Considers an appeal to the PRC of a post office closing as timely if postmarked within 30 days after notification of such closure.

(Sec. 803) Ensures the continuity of benefits through the Postal Service for employees of the former Post Office Department.

(Sec. 804) Repeals obsolete Federal postal laws. Eliminates the four-year limit on postal transportation contracts.

(Sec. 805) Authorizes the Postal Service to contract for the international air transportation of mail through negotiations or competitive bidding.

(Sec. 806) Prohibits the use of Postal Service Fund amounts to invest in obligations or securities of a commercial entity.

(Sec. 807) Repeals Postal Service authority to unilaterally impose fines on international mail carriers for mail delay or other delinquencies.

(Sec. 808) Reduces postal rates for "within county publications" such as local newspapers, weeklies, etc.

(Sec. 809) Provides prohibitions and penalties for the illegal use of the mails to transport hazardous matter. Requires opportunity for a violation hearing before the Postal Service.

(Sec. 810) Directs the PRC to examine the Domestic Mail Manual to determine whether it contains adequate safeguards to protect against: (1) abuses of rates for nonprofit mail; and (2) deception of consumers.

Title IX: Postal Pension Funding Reform Amendments - (Sec. 901) Transfers from the Postal Service to the Treasury Department responsibility for paying retirement costs of former postal employees that are related to military service. Directs the Office of Personnel Management (OPM), because of such change, to determine necessary adjustments in Postal Service contributions to the Civil Service Retirement System. Makes any OPM changes subject to PRC review.

(Sec. 902) Establishes in the Treasury a Postal Service Retiree Health Benefits Fund, to be administered by OPM, to cover the unfunded Postal Service liability for health care costs of current and future postal retirees. Requires the Postal Service, beginning in 2006, to make payments to such Fund equal to the unfunded liability attributable to current employees, along with interest thereon. Directs OPM to compute the required prefunding and interest payments. Makes OPM computations subject to PRC review.

(Sec. 903) Repeals a provision of the Postal Civil Service Retirement System Funding Reform Act related to the disposition of savings accruing to the Postal Service.

(Sec. 904) Requires specified OPM calculations, for FY 2006 through 2015, with respect to Postal Service savings achieved as the result of funding changes made under sections 901 and 902, above. Directs that such savings be used to address the Postal Service's prefunding of retiree health benefits and to pay down Postal Service debt. Limits to \$3 billion the amount authorized to be used to reduce debt over such fiscal years. Requires a calculation results report from OPM to the Postal Service, the PRC, and Congress.

Actions Timeline

- **Sep 23, 2004:** Reported (Amended) by the Committee on Judiciary. H. Rept. 108-672, Part II.
- **Sep 23, 2004:** Reported (Amended) by the Committee on Judiciary. H. Rept. 108-672, Part II.
- **Sep 23, 2004:** Placed on the Union Calendar, Calendar No. 427.
- **Sep 15, 2004:** Committee Consideration and Mark-up Session Held.
- **Sep 15, 2004:** Ordered to be Reported (Amended) by Voice Vote.
- **Sep 8, 2004:** Reported by the Committee on Government Reform. H. Rept. 108-672, Part I.
- **Sep 8, 2004:** Reported by the Committee on Government Reform. H. Rept. 108-672, Part I.
- **Sep 8, 2004:** Referred sequentially to the House Committee on the Judiciary for a period ending not later than Sept. 28, 2004 for consideration of such provisions of the bill as fall within the jurisdiction of that committee pursuant to clause 1(k), rule X.
- **May 12, 2004:** Introduced in House
- **May 12, 2004:** Introduced in House
- **May 12, 2004:** Referred to the House Committee on Government Reform.
- **May 12, 2004:** Committee Consideration and Mark-up Session Held.
- **May 12, 2004:** Ordered to be Reported by Unanimous Consent.