

## S 662

Postal Accountability and Enhancement Act

**Congress:** 109 (2005–2007, Ended)

**Chamber:** Senate

**Policy Area:** Government Operations and Politics

**Introduced:** Mar 17, 2005

**Current Status:** Returned to the Calendar. Calendar No. 164.

**Latest Action:** Returned to the Calendar. Calendar No. 164. (Feb 9, 2006)

**Official Text:** <https://www.congress.gov/bill/109th-congress/senate-bill/662>

### Sponsor

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**Name:** Sen. Collins, Susan M. [R-ME]

**Party:** Republican • **State:** ME • **Chamber:** Senate

Cosponsors (26 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Carper, Thomas R. [D-DE]	D · DE		Mar 17, 2005
Sen. Voinovich, George V. [R-OH]	R · OH		Mar 17, 2005
Sen. Snowe, Olympia J. [R-ME]	R · ME		Apr 4, 2005
Sen. Dorgan, Byron L. [D-ND]	D · ND		Apr 11, 2005
Sen. Kennedy, Edward M. [D-MA]	D · MA		Apr 11, 2005
Sen. Leahy, Patrick J. [D-VT]	D · VT		Apr 12, 2005
Sen. Murray, Patty [D-WA]	D · WA		Apr 12, 2005
Sen. Stevens, Ted [R-AK]	R · AK		Apr 14, 2005
Sen. Bingaman, Jeff [D-NM]	D · NM		May 18, 2005
Sen. Coleman, Norm [R-MN]	R · MN		Jun 14, 2005
Sen. Allen, George [R-VA]	R · VA		Jun 16, 2005
Sen. Chafee, Lincoln [R-RI]	R · RI		Jun 20, 2005
Sen. Levin, Carl [D-MI]	D · MI		Jun 20, 2005
Sen. Akaka, Daniel K. [D-HI]	D · HI		Jun 21, 2005
Sen. Lautenberg, Frank R. [D-NJ]	D · NJ		Jun 21, 2005
Sen. Lieberman, Joseph I. [D-CT]	D · CT		Jun 21, 2005
Sen. Burns, Conrad R. [R-MT]	R · MT		Jun 22, 2005
Sen. Pryor, Mark L. [D-AR]	D · AR		Jun 22, 2005
Sen. Warner, John [R-VA]	R · VA		Jun 22, 2005
Sen. Nelson, Ben [D-NE]	D · NE		Jul 14, 2005
Sen. Durbin, Richard J. [D-IL]	D · IL		Jul 19, 2005
Sen. Schumer, Charles E. [D-NY]	D · NY		Jul 21, 2005
Sen. Hagel, Chuck [R-NE]	R · NE		Jul 28, 2005
Sen. Corzine, Jon S. [D-NJ]	D · NJ		Sep 6, 2005
Sen. Reed, Jack [D-RI]	D · RI		Oct 21, 2005
Sen. Cochran, Thad [R-MS]	R · MS		Dec 21, 2005

Committee Activity

Committee	Chamber	Activity	Date
Homeland Security and Governmental Affairs Committee	Senate	Reported By	Jul 14, 2005

Subjects & Policy Tags

Policy Area:

Government Operations and Politics

Related Bills

Bill	Relationship	Last Action
109 HR 6407	Related bill	<b>Dec 20, 2006:</b> Became Public Law No: 109-435.
109 HR 22	Companion bill	<b>Feb 10, 2006:</b> Message on Senate action sent to the House.

Postal Accountability and Enhancement Act - **Title I: Definitions; Postal Services** - (Sec. 101) Amends federal postal law to add definitions, including the terms postal service, competitive product, market-dominant product, and rates.

(Sec. 102) Prohibits requiring the Postal Service to provide any special nonpostal or similar services.

**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, parcels, and cards, periodicals, standard mail, single-piece parcel post, media mail, bound printed matter, library mail, special services, and single-piece international mail). Requires the system to, among other things: (1) include an annual limitation on the percentage changes in rates; and (2) require the Postal Service to provide public notice, and the PRC to provide an opportunity for review of, rate adjustments at least 45 days before implementation. Requires the PRC, as part of the regulations, to establish rules for workshare discounts (discounts provided to mailers for presorting, barcoding, etc.) to ensure that such discounts do not exceed the cost that the Postal Service avoids as a result of workshare activity (with exceptions). Requires the Postal Service to notify the PRC whenever it establishes or revises a workshare discount rate.

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

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 cover their share of Postal Service institutional costs.

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

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 to transfer a product to a different category. Prohibits a product that involves the carriage of letters, printed matter, or 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 product information and measures of service afforded by the Postal Service in connection with such product. Requires such report information to: (1) be audited by the Postal Service Inspector General before submittal; and (2) include information relating to workshare discounts. 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 action to achieve compliance; and

(2) order fines in cases of deliberate noncompliance. Authorizes appellate review by persons adversely affected by any PRC final order or decision.

**Title III: Modern Service Standards -** (Sec. 301) Directs the Postal Service to establish (and from time to time revise) a set of service standards for market-dominant products consistent with the Postal Service's universal service obligation in order to: (1) enhance the value of postal services to both senders and recipients; (2) preserve regular and effective access to postal services in all communities; (3) reasonably assure Postal Service customers delivery reliability, speed, and frequency; and (4) provide a system of objective external performance measurements for each market-dominant product. Requires the Postal Service to develop and submit to Congress a plan for meeting such standards. Directs the Postal Service to report annually to Congress on how postal decisions have impacted or will impact rationalization plans. Requires the plan to include: (1) plans to expand and market retail access to postal services through the use of vending machines, the Internet, etc.; and (2) plans for reemployment assistance and early retirement benefits for Postal Service employees displaced as a result of the automation of functions or the closing or consolidation of facilities. Requires a plan report from the Postal Service Inspector General before its submission to Congress.

**Title IV: Provisions Relating to Fair Competition -** (Sec. 401) 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. 402) 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. 403) 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 postal service that uses or is based in whole or in part on such information, without the person's consent.

(Sec. 404) 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. Makes the Postal Service a "person," for purposes of federal bankruptcy laws, to the extent that it engages in conduct related to the provision of competitive products. 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. 405) Makes the Secretary of State responsible for foreign policy related to international postal services. Provides for the application of customs laws with respect to such services.

**Title V: General Provisions -** (Sec. 501) 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. Reduces from nine to five years the term of appointment.

(Sec. 502) Maintains the annual \$3 billion cap on Postal Service borrowing for capital investments and operating expenses, while eliminating individual caps on each.

(Sec. 503) 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 permit private carriage by suspension of the operation of current law.

(Sec. 505) Requires a party wishing to terminate a collective bargaining agreement involving Postal Service employees to serve written notice to any other party to such agreement at least 90 days in advance. Provides that if all such parties fail to reach a new agreement, the Director of the Federal Mediation and Conciliation Service shall within 10 days appoint a national mediator who is a member of the National Academy of Arbitrators. Authorizes the use of arbitration boards in certain circumstances. States that nothing in this Act shall restrict, expand, or otherwise affect any rights, privileges, or benefits under collective bargaining agreements.

(Sec. 506) 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.

**Title VI: Enhanced Regulatory Commission** - (Sec. 601) Replaces the Postal Rate Commission with the PRC. Sets forth the term (six years) and qualifications of the five Commissioners.

Requires the PRC to designate a PRC officer to represent the public interest in all public proceedings of the PRC.

(Sec. 602) Provides PRC authority to administer oaths, examine witnesses, receive evidence, issue subpoenas, and order the taking of depositions and responses to written interrogatories.

(Sec. 603) Authorizes appropriations out of the Postal Service Fund for: (1) the PRC; and (2) the Postal Service Office of Inspector General. Repeals federal provisions which subject the annual PRC budget to disapproval by the Board of Governors.

(Sec. 605) Mandates that the Postal Service: (1) be subject to a high degree of financial transparency to ensure fair treatment of customers of the Postal Service's market-dominant products and companies competing with the Postal Service's competitive products; and (2) file with the PRC certain audit and funding reports required under the Securities Exchange Act of 1934.

**Title VII: Evaluations** - (Sec. 701) 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. 702) Requires a report from the PRC to the President and Congress on universal postal service and the postal monopoly in the United States, including the monopoly on the delivery of mail and access to mailboxes.

(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 similar products provided by private companies.

(Sec. 704) Requires a report from the Postal Service Inspector General to Congress and the Postal Service on improving workplace safety and reducing workplace-related injuries nationwide. Directs the Postal Service, after receiving such report, to submit to Congress its plans for achieving such goals.

(Sec. 705) Directs the Government Accountability Office to study, and report to Congress, the Board of Governors, and the PRC on: (1) establishing rate incentives for mailers who utilize recycled paper; and (2) Postal Service accomplishments involving recycling activities.

**Title VIII: Postal Service Retirement and Health Benefits Funding** - Postal Civil Service Retirement and Health Benefits Funding Amendments of 2004 - (Sec. 802) Transfers from the Postal Service to the Treasury Department responsibility for paying the 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 OPM adjustment determinations subject to PRC review.

(Sec. 803) 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 retirees. Requires the Postal Service, beginning in 2006, to compute the net present value of the future payments required and attributable to the service of Postal Service employees during the most recently ended fiscal year, along with an amortization schedule which provides for the liquidation of the net value amounts. Directs the Postal Service, for each year, to pay into the above Fund such net present value and the annual installment due under the amortization schedule. Makes OPM actuarial computations subject to PRC review.

(Sec. 804) Repeals a provision of the Postal Civil Service Retirement System Funding Reform Act related to the disposition of savings accruing to the Postal Service.

**Title IX: Compensation for Work Injuries** - (Sec. 901) Makes a Postal Service employee ineligible for compensation or continuation of pay for the first three days of temporary disability (thereby establishing a three-day waiting period). Allows the employee to use annual leave, sick leave, or leave without pay for such three-day period, but provides that if the disability exceeds 14 days or is followed by permanent disability, the employee may have such leave reinstated or receive pay for the time spent on leave without pay.

(Sec. 902) Converts Postal Service employee total or partial disability compensation benefits to 50 percent of the monthly pay of the employee on the later of: (1) the date on which the injured employee reaches retirement age; or (2) one year after the employee begins receiving compensation.

**Title X: Miscellaneous** - (Sec. 1001) Authorizes the Postal Service to employ guards for all buildings and areas owned, occupied, or under the charge or control of the Postal Service, and to give such guards, while so employed, any of the powers of federal special police.

(Sec. 1002) Repeals federal postal law concerning the transportation of mail by surface carrier. Eliminates restrictions on the length of Postal Service mail transportation contracts.

(Sec. 1003) Provides for reduced-rate treatment of some forms of mail, including: (1) mail given preferred status over regular-rate mailings; and (2) copies of a publication published within a county but distributed outside such county on postal carrier routes originating in the county of publication.

(Sec. 1004) Expresses the sense of Congress that the Postal Service should: (1) ensure the fair and consistent treatment of suppliers and contractors in its current purchasing policies and any revision or replacement of such policies; and (2) implement commercial best practices in Postal Service purchasing policies to achieve greater efficiency and cost savings, as recommended in July 2003 by the President's Commission on the United States Postal Service, in a manner compatible with the fair and consistent treatment of suppliers and contractors.

## Actions Timeline

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- **Feb 9, 2006:** Measure laid before Senate by unanimous consent. (consideration: CR S898-927, S942-943; text of measure as reported in Senate: CR S898-926)
- **Feb 9, 2006:** The committee substitute as amended agreed to by Unanimous Consent.
- **Feb 9, 2006:** Senate incorporated this measure in H.R. 22 as an amendment.
- **Feb 9, 2006:** Senate passed companion measure H.R. 22 in lieu of this measure by Unanimous Consent.
- **Feb 9, 2006:** Returned to the Calendar. Calendar No. 164.
- **Jul 14, 2005:** Committee on Homeland Security and Governmental Affairs. Reported by Senator Collins with an amendment in the nature of a substitute. Without written report.
- **Jul 14, 2005:** Committee on Homeland Security and Governmental Affairs. Reported by Senator Collins with an amendment in the nature of a substitute. Without written report.
- **Jul 14, 2005:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 164.
- **Jun 22, 2005:** Committee on Homeland Security and Governmental Affairs. Ordered to be reported with an amendment in the nature of a substitute favorably.
- **Mar 17, 2005:** Introduced in Senate
- **Mar 17, 2005:** Sponsor introductory remarks on measure. (CR S3012-3014)
- **Mar 17, 2005:** Read twice and referred to the Committee on Homeland Security and Governmental Affairs. (text of measure as introduced: CR S3014-3028)