

## S 1789

21st Century Postal Service Act of 2012

**Congress:** 112 (2011–2013, Ended)

**Chamber:** Senate

**Policy Area:** Government Operations and Politics

**Introduced:** Nov 2, 2011

**Current Status:** Held at the desk.

**Latest Action:** Held at the desk. (Apr 26, 2012)

**Official Text:** <https://www.congress.gov/bill/112th-congress/senate-bill/1789>

### Sponsor

**Name:** Sen. Lieberman, Joseph I. [ID-CT]

**Party:** Democratic • **State:** CT • **Chamber:** Senate

### Cosponsors (3 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Brown, Scott P. [R-MA]	R · MA		Nov 2, 2011
Sen. Carper, Thomas R. [D-DE]	D · DE		Nov 2, 2011
Sen. Collins, Susan M. [R-ME]	R · ME		Nov 2, 2011

### Committee Activity

Committee	Chamber	Activity	Date
Homeland Security and Governmental Affairs Committee	Senate	Reported By	Jan 26, 2012

### Subjects & Policy Tags

**Policy Area:**

Government Operations and Politics

### Related Bills

*No related bills are listed.*

21st Century Postal Service Act of 2012 - **Title I: Postal Workforce Matters** - (Sec. 101) Requires the Office of Personnel Management (OPM) to determine, on an annual basis, the amount of any surplus contributions by the U.S. Postal Service (USPS) to the Federal Employees' Retirement System (FERS) and to transfer any such amount to USPS in FY2011-FY2014 to be used to pay the cost of voluntary separation incentive payments for postal employees who voluntarily separate from service before October 1, 2015. Allows any additional surplus contributions to be used for repayment of debts incurred by USPS or for making required payments to the Employees' Compensation Fund, USPS retiree health benefits funds, and the Civil Service Retirement and Disability Fund.

(Sec. 102) Allows USPS to: (1) provide voluntary separation incentive payments of up to \$25,000 to USPS employees who voluntarily separate before October 1, 2015; and (2) offer up to one year of additional creditable service for postal employees in the Civil Service Retirement System (CSRS) who voluntarily separate from service before such date, and up to two years for employees in FERS who voluntarily separate from service before such date. Disqualifies any employee who receives such additional credits from receiving a voluntary separation incentive payment.

Requires USPS to offer voluntary separation incentives to ensure that the size and cost of the USPS workforce is appropriate to perform its duties, taking into consideration the closure and consolidation of postal facilities, the ability of USPS employees to operate existing facilities more efficiently, and the number of employees eligible for retirement or early retirement. Establishes a goal for the reduction of USPS career employees of 18% by the end of FY2015.

(Sec. 103) Restructures the pre-funding requirements for USPS retiree health benefits by replacing the current schedule of annual payments to the Postal Service Retiree Health Benefits Fund with a schedule of annual installment payments that will liquidate pension liabilities by September 30, 2052, or within 15 years, whichever is later. Requires the government's contributions to be paid first, beginning with enactment of this Act, from the Postal Service Retiree Health Benefits Fund up to the amount contained in the Fund (currently, such contributions are to be paid by the Postal Service through September 30, 2016). Reduces the pre-funding requirement for retiree health benefits to 80% of projected liability (currently, 100%).

(Sec. 104) Authorizes USPS to negotiate jointly with all employee bargaining representatives until the end of FY2012 to establish the Postal Service Health Benefits Program outside of the Federal Employees Health Benefits (FEHB) Program. Sets forth the basic requirements for such Program, including that it provide coverage that is actuarially equivalent to the types of plans available under the FEHB Program.

(Sec. 105) Requires the Postmaster General to develop an educational program for USPS employees and annuitants who may be eligible for Medicare to learn how Medicare benefits interact with and can supplement benefits under the FEHB Program.

(Sec. 106) Requires any arbitration board deciding a contract dispute between USPS and labor organizations to: (1) render a decision not later than 45 days after the date of its appointment; and (2) consider such relevant factors as the financial condition of USPS.

(Sec. 107) Requires the Director of OPM to: (1) submit to Congress and the Comptroller General (GAO) not later than 60 days after the enactment of this Act and every month thereafter a report that evaluates the timeliness, completeness, and accuracy of USPS information on employee retirements; (2) post such information on the OPM website; and (3) submit to Congress and GAO a timetable for completion of each component of a retirement systems modernization project.

(Sec. 108) Imposes limits on the rate of compensation, including bonuses, for certain USPS officers and employees.

**Title II: Postal Services and Operations** - (Sec. 201) Requires USPS to maintain current delivery service standards during the three-year period beginning on the date of enactment of this Act, including overnight standards for first-class mail and periodicals, two-day delivery for first-class mail, and a maximum delivery time for first-class mail of three days within the continental United States.

(Sec. 202) Requires USPS, before making a determination as to the necessity for closing or consolidating any postal facility, to: (1) conduct an area mail processing study that includes a plan to reduce the capacity of, but not close, the facility and a consideration of the effect of the closure or consolidation on the ability of individuals to vote by mail and the ability of USPS to timely deliver ballots by mail; (2) provide notice of a determination to close or consolidate a postal facility to Congress, the Postal Regulatory Commission (PRC), and state officials; (3) ensure that interested persons have an opportunity to submit public comments during a 45-day period after notice of intent to close or consolidate a postal facility is given; (4) consider such public comments and the effects of a proposed closure or consolidation within a 30-day period after the initial period for public comments; (5) publish on its website a justification statement for any closure or consolidation; and (6) wait 15 days after posting such justification statement before closing or consolidating a postal facility.

Prohibits the closure or consolidation of a postal facility during the three-year period beginning on the date of enactment of this Act if such closure or consolidation prevents USPS from maintaining current service standards.

Allows any interested person to lodge a complaint with PRC if such person believes that the closure or consolidation of a postal facility is not in conformance with applicable service standards.

(Sec. 203) Requires USPS, within six months after the enactment of this Act, to establish service standards for market-dominant products.

(Sec. 204) Requires USPS, within one year after the enactment of this Act, to develop and submit to Congress a revised and updated version of the plan to expand and market retail access to postal services.

(Sec. 205) Requires USPS, prior to closing or consolidating a post office, including a post office in a rural area, to consider: (1) alternatives, including reducing the hours of such post office; (2) the effects on the community and businesses served by such post office and on the employees of such post office; and (3) whether substantial economic savings to USPS would result.

(Sec. 206) Requires USPS to submit to the House Committee on Oversight and Governmental Reform and the Senate Committee on Homeland Security and Governmental Affairs: (1) a comprehensive strategic plan to govern decisions relating to area and district office structure; and (2) a 10-year plan, including a timetable, that provides for consolidation of area and district offices. Requires an update to such plan at least once every five years.

Requires USPS, within one year after the enactment of this Act, to: (1) consolidate district offices that are located within 50 miles of each other, (2) consolidate area and district offices that have less than the mean mail volume and number of work hours for all such offices, and (3) relocate area offices to headquarters.

(Sec. 207) Prohibits USPS from establishing a general, nationwide delivery schedule of five or fewer days for at least 24 months after the enactment of this Act. Requires USPS, prior to implementing any five-day delivery schedule, to: (1) identify customers and communities for whom a change may have a disproportionate, negative impact; (2) develop

measures to ameliorate any such impact; and (3) implement measures to increase revenue and reduce costs and evaluate whether such measures will allow USPS to achieve long-term financial solvency without implementing a five-day delivery schedule.

Requires GAO to report on whether USPS has complied with measures for implementing any change in its delivery schedule and whether a change in its delivery schedule is necessary to allow USPS to achieve long-term solvency.

Requires USPS to ensure that any change in its delivery schedule will not result in more than two consecutive days without mail delivery, including recognized federal holidays.

(Sec. 208) Requires USPS to request the PRC to issue an advisory opinion relating to any change in the USPS delivery schedule. Requires PRC to issue such advisory opinion within 90 days.

(Sec. 209) Requires USPS to: (1) provide at least 30 days' notice of any proposed changes to mailing specifications not reviewed by PRC and to respond to public comments on such changes, and (2) analyze the financial impact of such proposed changes on USPS and its customers.

(Sec. 210) Authorizes USPS to provide other services that are not postal services after PRC determines that providing such services: (1) makes use of the processing, transportation, delivery, retail network, or technology of USPS; (2) would be consistent with the public interest and would not create unfair competition with the private sector; and (3) would have the potential to improve the financial position of USPS.

(Sec. 211) Establishes in USPS the position of Chief Innovation Officer to be appointed by the Postmaster General. Requires such Innovation Officer to have proven expertise and a record of accomplishment in areas such as: (1) the postal and shipping industry; (2) innovative product research and development; (3) brand marketing strategy; (4) new and emerging technologies, including communications technology; or (5) business process management.

Requires the Chief Innovation Officer to report to Congress on a comprehensive strategy for improving the net financial position of USPS through innovation, including the offering of new postal and nonpostal products and services.

(Sec. 212) Establishes in USPS a Strategic Advisory Commission on Postal Service Solvency and Innovation as an independent commission to provide strategic guidance to the President, Congress, the Board of Governors of the Postal Service, and the Postmaster General on enhancing the long-term solvency of USPS and to foster innovative thinking to address the challenges facing USPS.

(Sec. 213) Authorizes the appointment of a citizen's service protection advocate to represent the interests of postal customers affected by the proposed closing or consolidation of a postal facility. Requires USPS to provide such advocate with information and assistance relating to any closing or consolidation.

(Sec. 214) Prohibits USPS from maintaining or operating more than one post office in the U.S. Capitol Complex in a House Office Building or in a Senate Office Building.

**Title III: Federal Employees' Compensation Act - Workers' Compensation Reform Act of 2012 - (Sec. 302)** Amends the Federal Employees' Compensation Act (FECA) to revise benefit payments for FECA enrollees. Reduces FECA benefits for totally disabled enrollees to 50% of their pre-disability pay upon the enrollee reaching full retirement age, as defined in the Social Security Act. Exempts any enrollee who: (1) has attained retirement age by the date of enactment of this Act, (2) is an individual who has an exempt disability condition, or (3) is a member of a household that meets eligibility requirements for the supplemental nutrition assistance programs (SNAP).

(Sec. 303) Eliminates augmented compensation under FECA for dependents of postal employees who have a work-related injury. Exempts employees who are totally disabled and allows augmented compensation, for three years after the enactment of this title, for employees who are partially disabled.

(Sec. 304) Allows injured workers to receive schedule compensation payments (i.e., specific payments for certain injuries) if their FECA benefits are reduced under the provisions of this title.

(Sec. 305) Revises requirements for vocational rehabilitation of injured workers (except workers who have attained retirement age) by: (1) requiring such workers to develop a comprehensive return to work plan and undergo vocational rehabilitation, (2) authorizing the Secretary of Labor to enter into an assisted reemployment agreement with public or private employers for hiring individuals eligible for wage-loss compensation for up to three years, and (3) extending vocational rehabilitation opportunities under FECA to partially disabled workers.

(Sec. 306) Requires the Secretary to require employees who are receiving worker compensation benefits to report their earnings from employment or self-employment. Requires forfeiture of worker compensation for any period for which an employee fails to report or understates such earnings.

(Sec. 307) Requires the Secretary to: (1) establish a disability management review process for certifying and monitoring the disability status and injuries of employees receiving benefits, and (2) require employees receiving benefits to submit to physical examinations to assess the nature and extent of their disability.

(Sec. 308) Requires the three-day waiting period for the commencement of FECA benefits to begin immediately after a work-related injury for all injured federal employees (currently, different waiting periods apply to USPS employees and other federal employees).

(Sec. 309) Requires individuals who are eligible for compensation under FECA and under CSRS or FERS or another retirement system to elect which benefits to receive.

(Sec. 310) Authorizes the Secretary to: (1) use field nurses (registered nurses who assist in the medical management of disability claims and provide claimants with assistance in coordinating medical care) to coordinate medical services and vocational rehabilitation programs for injured employees, and (2) suspend compensation to employees who refuse to cooperate with a field nurse or who obstruct a field nurse in the performance of duties.

(Sec. 311) Allows the federal government to recover continuation of pay (i.e., salary that is continued to be paid during the 45-day period between the beneficiary's injury and the start of FECA disability benefits) from third parties who are liable for the beneficiary's work-related injury.

(Sec. 312) Directs the Secretary to establish an Integrity and Compliance Program (Program) and cooperate with other federal agencies to prevent, identify, and recover fraudulent and other improper payments for the FECA program. Establishes the FECA Integrity and Compliance Task Force to assist in implementing the Program. Grants the Secretary, the Postmaster General, and Inspectors General access to agency databases to improve compliance with requirements under the Program, including social security earnings information, the OPM retiree database, the Department of Veterans Affairs Beneficiaries Database, and the National Directory of New Hires. Requires the establishment of protocols for the secure transfer and storage of any information provided under the Program. Requires GAO to conduct periodic audits of the Program.

(Sec. 313) Increases to \$50,000 the benefit amount for a severe disfigurement of the face, head, or neck. Increases to

\$6,000 the maximum benefit amount for the reimbursement for funeral expenses for an employee who dies due to a work-related injury.

(Sec. 314) Expands compensation provisions for the disability or death of a federal employee to include injuries sustained in an attack by a terrorist or terrorist organization, either known or unknown. Provides for continuation of pay for federal employees who sustain injuries in a zone of armed conflict.

(Sec. 316) Requires the Secretary to promulgate regulations to carry out this title, including regulations clarifying what a claim is and when a period of disability for which a claim is made commences.

**Title IV: Other Matters** - (Sec. 401) Requires USPS, not later than 90 days after the enactment of this Act, to submit to the House Committee on Oversight and Governmental Reform, the Senate Committee on Homeland Security and Governmental Affairs, GAO, and PRC a plan on how it will achieve long-term solvency. Requires USPS to update such plan at least quarterly, until the last quarter of FY2015.

(Sec. 402) Requires PRC, not earlier than three years after enactment of this Act, to begin a study to determine: (1) whether and to what extent any market-dominant classes, products, or types of mail services do not bear their direct and indirect costs; and (2) the impact of any excess USPS mail processing, transportation, or delivery capacity on the direct and indirect costs attributable to any class of mail that bears less than 100% of its costs. Requires PRC to hold a public hearing prior to completing such study and to update such study annually. Authorizes incremental increases in postal rates for any class of mail that recovers less than 90% of its costs.

(Sec. 403) Establishes within OMB the Federal Real Property Council to develop guidance for the asset management program of each executive agency. Requires the Council to identify agency field offices that are suitable for co-location with other federal civilian real property, including postal properties.

(Sec. 404) Authorizes USPS to enter into agreements with state and local governments and USPS departments (intra-service agreements) to provide property and services to such entities.

(Sec. 405) Authorizes the mailing of distilled spirits, wine, or malt beverages in accordance with the laws of the state, territory, or district where the sender initiates the mailing and the addressee takes delivery. Requires USPS to issue regulations to ensure that the addressee is at least 21 years of age and presents a valid, government-issued photo identification upon delivery.

(Sec. 406) Requires PRC, with the assistance of USPS and relevant federal agencies, to report annually on the fiscal stability of the U.S. mailing industry.

(Sec. 407) Requires USPS and PRC to coordinate actions to identify methods to increase the use of negotiated service agreements for market-dominant products.

(Sec. 408) Makes USPS and PRC subject to the Contract Disputes Act of 1978.

(Sec. 409) Sets forth new requirements for contracting of postal services, including new ethical standards for awarding postal contracts.

Establishes the position of advocate for competition in USPS and PRC to promote competition by promoting the acquisition of commercial items and challenging barriers to competition.

Requires the Postmaster General and the Chairman of PRC to issue a policy on contracting officer delegations of authority for postal contracts.

Requires USPS and PRC to post on their public websites any purchase request for any noncompetitive award and the rationale for such award. Allows a waiver of such requirement if it would risk placing USPS at a disadvantage relative to a private sector competitor.

Requires USPS and PRC to review any ethical issues relating to a proposed contract before it is awarded and to advise the contracting officer on an appropriate resolution of any ethical issues relating to such contract.

Requires USPS and PRC to prescribe regulations that would restrict a contracting officer from entering into a postal contract with any party with whom such officer has a personal or business relationship. Allows a waiver of such restriction in the best interests of USPS. Requires such waivers to be posted on the USPS and PRC websites. Authorizes USPS and PRC to void any postal contract and recover amounts expended under such contract if there is a final conviction of bribery, conflict of interest, or other criminal offense relating to such contract.

Prohibits USPS from entering into any contract that restricts the ability of Congress to exercise oversight authority.

(Sec. 410) Reduces from 12 to 6 the number of USPS officers or employees who may receive additional compensation for performing critical services. Limits, with specified exceptions, the total compensation of a USPS officer or employee to the basic pay rate for level I of the Executive Schedule.

(Sec. 411) Expresses the sense of the Senate that USPS should not close or consolidate any postal facility or post office before the enactment date of this Act.

**Title V: Miscellaneous** - Prohibits any federal agency from paying the travel expenses for more than 50 of its employees who are stationed in the United States for any international conference occurring outside the United States, unless the Secretary of State determines that the attendance of such employees is in the national interest.

Requires each federal agency to post on its website: (1) information about each conference for which the agency paid travel expenses during the preceding three months; and (2) information on any presentation made by any agency employee at a conference, including any speech delivered or exhibits presented. Limits to \$500,000 the amount any agency may spend to support a single conference. Prohibits any agency from funding more than a single conference during any fiscal year, unless the agency is the primary sponsor and organizer of the conference.

Limits agency travel expenses for FY2012-FY2016 to 80% of the aggregate amount of such expenses paid in FY2010.

## Actions Timeline

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- **Apr 26, 2012:** Received in the House.
- **Apr 26, 2012:** Message on Senate action sent to the House.
- **Apr 26, 2012:** Held at the desk.
- **Apr 25, 2012:** Considered by Senate. (consideration: CR S2683-2697)
- **Apr 25, 2012:** Passed/agreed to in Senate: Passed Senate with an amendment by Yea-Nay Vote. 62 - 37. Record Vote Number: 82.
- **Apr 25, 2012:** Passed Senate with an amendment by Yea-Nay Vote. 62 - 37. Record Vote Number: 82.
- **Apr 24, 2012:** Considered by Senate. (consideration: CR S2634-26351)
- **Apr 19, 2012:** Cloture motion on amendment SA 2000 withdrawn by unanimous consent in Senate. (consideration: CR S2538)
- **Apr 19, 2012:** Cloture motion on the bill withdrawn by unanimous consent in Senate. (consideration: CR S2538)
- **Apr 19, 2012:** Motion by Senator Reid to recommit to Senate Committee on Homeland Security and Governmental Affairs with instructions to report back forthwith with amendment SA 2017 was withdrawn in Senate by Unanimous Consent. (consideration: CR S2538)
- **Apr 17, 2012:** Motion to proceed to consideration of the motion to reconsider the vote by which the motion to invoke cloture on the motion to proceed to S. 1789 was not invoked (Roll Call Vote No. 60) agreed to in Senate by Unanimous Consent. (consideration: CR S2348)
- **Apr 17, 2012:** Motion by Senator Reid to reconsider the vote by which the motion to invoke cloture on the motion to proceed to S. 1789 was not invoked (Roll Call Vote No. 60) agreed to in Senate by Unanimous Consent. (consideration: CR S2348)
- **Apr 17, 2012:** Motion to proceed to measure considered in Senate. (consideration: CR S2348-2357)
- **Apr 17, 2012:** Upon reconsideration, cloture on the motion to proceed to the measure invoked in Senate by Yea-Nay Vote. 74 - 22. Record Vote Number: 66. (consideration: CR S2349; text: CR S2349)
- **Apr 17, 2012:** Motion to proceed to consideration of measure agreed to in Senate by Unanimous Consent. (consideration: CR S2356)
- **Apr 17, 2012:** Measure laid before Senate by motion. (consideration: CR S2357-2370, S2435-2451; text of measure as reported in Senate: CR S2357-2368)
- **Apr 17, 2012:** The committee reported substitute was withdrawn by Unanimous Consent. (consideration: CR S2369)
- **Apr 17, 2012:** Cloture motion on amendment SA 2000 presented in Senate. (consideration: CR S2369; text: CR S2369)
- **Apr 17, 2012:** Cloture motion on the bill presented in Senate. (consideration: CR S2369; text: CR S2369)
- **Apr 17, 2012:** Motion by Senator Reid to recommit to Senate Committee on Homeland Security and Governmental Affairs with instructions to report back forthwith with amendment SA 2017 made in Senate. (consideration: CR S2369)
- **Mar 27, 2012:** Cloture on the motion to proceed to the measure not invoked in Senate by Yea-Nay Vote. 51 - 46. Record Vote Number: 60. (consideration: CR S2054-2055; text: CR S2054)
- **Mar 27, 2012:** Motion by Senator Reid to reconsider the vote by which the motion to invoke cloture on the motion to proceed to S. 1789 was not invoked (Roll Call Vote No. 60) entered in Senate. (consideration: CR S2055)
- **Mar 22, 2012:** Motion to proceed to consideration of measure made in Senate. (consideration: CR S1985)
- **Mar 22, 2012:** Cloture motion on the motion to proceed to the bill presented in Senate. (consideration: CR S1985; text: CR S1985)
- **Jan 31, 2012:** By Senator Lieberman from Committee on Homeland Security and Governmental Affairs filed written report. Report No. 112-143. Additional views filed.
- **Jan 26, 2012:** Committee on Homeland Security and Governmental Affairs. Reported by Senator Lieberman with an amendment in the nature of a substitute. Without written report.
- **Jan 26, 2012:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 296.
- **Nov 9, 2011:** Committee on Homeland Security and Governmental Affairs. Ordered to be reported with an amendment in the nature of a substitute favorably.
- **Nov 2, 2011:** Introduced in Senate
- **Nov 2, 2011:** Sponsor introductory remarks on measure. (CR S7070)
- **Nov 2, 2011:** Read twice and referred to the Committee on Homeland Security and Governmental Affairs. (text of measure as introduced: CR S7070-7081)