

HR 5714

Postal Service Reform Act of 2016

Congress: 114 (2015–2017, Ended)

Chamber: House

Policy Area: Government Operations and Politics

Introduced: Jul 11, 2016

Current Status: Placed on the Union Calendar, Calendar No. 671.

Latest Action: Placed on the Union Calendar, Calendar No. 671. (Dec 8, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/house-bill/5714>

Sponsor

Name: Rep. Chaffetz, Jason [R-UT-3]

Party: Republican • State: UT • Chamber: House

Cosponsors (4 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Connolly, Gerald E. [D-VA-11]	D · VA		Jul 11, 2016
Rep. Cummings, Elijah E. [D-MD-7]	D · MD		Jul 11, 2016
Rep. Lynch, Stephen F. [D-MA-8]	D · MA		Jul 11, 2016
Rep. Meadows, Mark [R-NC-11]	R · NC		Jul 11, 2016

Committee Activity

Committee	Chamber	Activity	Date
Energy and Commerce Committee	House	Discharged From	Dec 8, 2016
Oversight and Government Reform Committee	House	Reported By	Dec 8, 2016
Ways and Means Committee	House	Referred to	Jul 19, 2016

Subjects & Policy Tags

Policy Area:

Government Operations and Politics

Related Bills

Bill	Relationship	Last Action
114 HR 1198	Related bill	Mar 2, 2015: Referred to the House Committee on Oversight and Government Reform.

(This measure has not been amended since it was introduced. The summary has been expanded because action occurred on the measure.)

Postal Service Reform Act of 2016

TITLE I--POSTAL SERVICE BENEFITS REFORM

(Sec. 101) This bill requires the Office of Personnel Management (OPM) to establish a Postal Service Health Benefits Program within the Federal Employees Health Benefits Program to offer health benefits plans for U.S. Postal Service (USPS) employees, annuitant retirees, and their families at rates that reflect the cost of benefits provided solely to the USPS risk pool. To obtain or continue federal coverage, Medicare-eligible postal retirees must be enrolled in part A (Hospital Insurance) and part B (Supplementary Medical Insurance Benefits for Aged and Disabled) of title XVIII (Medicare) of the Social Security Act. Each plan must provide Medicare part D (Voluntary Prescription Drug Benefit Program) prescription drug benefits.

The USPS must establish a Medicare Education Program to notify USPS retirees and employees about the health plans and answer inquiries about Medicare enrollment.

(Sec. 102) The USPS's annual prefunding payments to the Postal Service Retiree Health Benefits Fund (PSRHBF) must be recomputed each year based on economic and actuarial methods to liquidate 100% of the USPS's actuarial liability by September 30, 2055. The bill cancels the unpaid final 6 of 10 prefunding payments that the USPS was obligated to pay into the fund from August 1, 2012, to September 30, 2016.

The government's health benefit contributions to be paid up to the amount in the PSRHBF for USPS retirees since July 1, 1971, shall be the difference between a carrier's costs of providing health services to an individual and the amount withheld from the individual's annuity or paid by the individual. The USPS shall pay any remaining amount.

(Sec. 103) The OPM must use postal-specific demographic and economic assumptions in its valuations of the USPS's Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) pension accounts. Under CSRS and FERS, any projected USPS funding surpluses shall be returned to the USPS through amortized annual installments. (Currently, the OPM uses federal government-wide assumptions.)

(Sec. 104) Postal retirees not previously enrolled in Medicare will be transitioned automatically into Medicare part B, with their premiums reduced by 75% in the first year, 50% in the second year, and 25% in the third year, after which they will pay the full premium.

TITLE II--POSTAL SERVICE OPERATIONS REFORM

(Sec. 201) This title reduces from nine to five the number of governors serving on the USPS Board of Governors with the Postmaster General and the Deputy Postmaster General. The USPS's power shall be vested in the governors and carried out by the Postmaster General consistent with the strategic direction and pricing and product strategy approved by the governors. The Postmaster General may delegate authority, but the bill removes the board's authority to delegate authority to the Postmaster General.

The USPS must transfer funds to the Department of State to coordinate and negotiate international postal rates and delivery services.

(Sec. 202) The USPS must provide mail delivery other than door delivery (with a preference for centralized delivery) for new delivery points. It must also begin converting to centralized delivery, curbside delivery, or sidewalk delivery for existing: (1) business delivery points, and (2) residential delivery points with postal patrons' consent.

The USPS must provide for a voucher program to defray costs associated with conversion from door delivery that would otherwise be borne by postal patrons.

The USPS must collect data on delivery mode costs and report on the potential savings of converting to more cost-efficient primary modes of mail delivery.

The Inspector General of the Postal Community must report on the costs and benefits of the delivery point conversions under this bill.

(Sec. 203) In establishing or revising rates or classifications for first-class mail, standard mail, or other market-dominant products, the Postal Regulatory Commission (PRC) must consider: (1) the effect of rate increases upon the general public and business mail users, (2) the reliability of delivery timelines, (3) the need to ensure that the USPS has adequate revenues and has taken appropriate cost-cutting and efficiency measures to maintain financial stability, (4) the desirability of special classifications that do not cause unfair competitive advantage for the USPS or postal users or unreasonable disruption to the volume or revenues of other postal users, and (5) the importance of stability and predictability of rates to ratepayers.

The title repeals a rate preference that currently allows certain political committees to send third-class mail at the nonprofit organization rate.

The PRC must promulgate regulations for streamlined after-the-fact review of newly proposed agreements between the USPS and users of the mail that provide rates not of general applicability for competitive products. Such a streamlined review shall apply only if agreements are functionally equivalent to existing agreements that have collectively covered attributable costs and improved the net financial position of the USPS.

(Sec. 204) The USPS may establish a program to provide property and services on behalf of state, local, or tribal governments for noncommercial products and services at USPS facilities, and a program to provide property and services to other executive agencies and the Government Publishing Office, but only if such property and services provide a reasonable contribution to the institutional costs of the USPS. The PRC must make annual determinations as to whether nonpostal activities carried out under the program comply with the requirement that each agency reimburse the USPS for at least 100% of the attributable costs of the provided property and services.

(Sec. 205) The USPS, when determining whether to close or consolidate a post office, must consider: (1) distance to the closest postal retail facility that is not operated by a contractor, (2) weather and terrain, and (3) the availability of broadband Internet service and commercial mobile service in the geographic area.

Before a determination as to the necessity for the closing or consolidation of a post office, the USPS must conduct a nonbinding survey to allow postal patrons to indicate their preferences among alternative postal service options. If closure or consolidation is necessary, the USPS must provide those patrons with access to postal services through the alternative option chosen by the highest number of survey respondents or through different means if the first option is not possible or is cost prohibitive.

The Inspector General of the Postal Community must report to the USPS and Congress on the impacts of the post office

restructuring plan (POSTPlan) on USPS expenses, revenue, and retail service provision. Prior to any hour changes or consolidation decisions related to POSTPlan initiative impacted post offices, the USPS must: (1) review the inspector general's report and recommendations, and (2) make any appropriate revisions to any planned efforts regarding the POSTPlan initiative.

(Sec. 206) The USPS is prohibited from offering postage-evidencing products or services that do not comply with regulations applicable to private companies.

(Sec. 207) The Postmaster General must reinstate 50% of the exigent rate surcharge for first-class mail and other market-dominant products implemented under the rate adjustment authority for extraordinary or exceptional circumstances that was in effect on April 9, 2016, thereby increasing the postage rate for first-class stamps by 1 cent. The USPS may not institute or maintain an additional rate increase predicated upon the same extraordinary or exceptional circumstances upon which rates have previously been increased under that authority.

(Sec. 208) The PRC must complete the initial review of the system for regulating rates and classes for market-dominant products such that a final rule for a revised or reapproved system is issued by January 1, 2018.

(Sec. 209) The PRC must determine whether to revise methods of attributing costs to postal products.

(Sec. 210) A parcel carried by an air carrier or foreign air carrier must use postage generated by a validated postage evidencing system and be entered with in-person sender verification.

(Sec. 211) The USPS must designate a single, unique zip code for: (1) Miami Lakes, Florida; (2) Storey County, Nevada; and (3) Flanders, Northampton, and Riverside in the Town of Southampton, New York.

TITLE III--POSTAL SERVICE PERSONNEL

(Sec. 301) The Postmaster General must appoint a Chief Innovation Officer to: (1) maximize USPS revenues, (2) utilize emerging information technologies, and (3) update an innovation strategy for postal and nonpostal products and services every three years.

(Sec. 302) The President must appoint an Inspector General of the Postal Community to consolidate the currently separate USPS and PRC inspectors general. (Currently, the governors on the Board of Governors appoint the USPS inspector general and the PRC appoints the PRC inspector general.)

(Sec. 303) The right to appeal adverse personnel actions to the Merit Systems Protection Board is extended to nonsupervisory professional, technical, clerical, or administrative USPS employees who are not represented by a bargaining representative. (Under current law, USPS supervisors and managers already have the right to such appeals.)

TITLE IV--POSTAL CONTRACTING REFORM

(Sec. 401) The USPS and the PRC must: (1) issue policies on contracting officer delegations of authority for postal contracts, (2) publish noncompetitive contract awards that exceed specified dollar amounts, (3) require contracting officers and decision-makers to disclose personal and business relationships that would cause questions regarding their impartiality, and (4) establish procedures for the ethics counsel to review conflict of interest disclosures to determine whether a contracting officer's participation would violate ethical conduct standards.

The USPS or the PRC may void postal contracts if: (1) there is a criminal conviction for bribery or a conflict of interest relating to the contract, or (2) the contractor fails to make required disclosures.

Actions Timeline

- **Dec 8, 2016:** Reported by the Committee on Oversight and Government Reform. H. Rept. 114-858, Part I.
- **Dec 8, 2016:** Committee on Ways and Means discharged.
- **Dec 8, 2016:** Committee on Energy and Commerce discharged.
- **Dec 8, 2016:** Placed on the Union Calendar, Calendar No. 671.
- **Jul 19, 2016:** Referred to the Subcommittee on Health.
- **Jul 12, 2016:** Ordered to be Reported by Voice Vote.
- **Jul 11, 2016:** Introduced in House
- **Jul 11, 2016:** Referred to the Committee on Oversight and Government Reform, and in addition to the Committees on Energy and Commerce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.