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THE POSTAL SERVICE INNOVATE TO DELIVER ACT OF 2011 ("THE I2D ACT")

Ranking Member Elijah E. Cummings

OVERVIEW

The I2D Act will meet the Postal Service's financial challenges by implementing reforms in three core areas: profitability, personnel, and performance. Unlike other proposals that seek only to slash services, workforce, or facilities, the I2D Act tackles fundamental challenges with fundamental change to ensure that the Postal Service will continue to deliver for years to come.

1. Return to Profitability: *The I2D Act gives the Postal Service the flexibility to update its business model and enter into new lines of business. Specifically, the bill:*

- Authorizes the Postal Service to enter into new lines of business, such as check cashing, digital communications, facility leasing, and other activities that leverage the Postal Service's unique business advantages;
- Creates a new Chief Innovation Officer to drive the development of innovative products and services;
- Enhances accountability regarding the success of these new products and services in meeting changing market needs;
- Requires immediate review of the Postal Service rate cap by the Postal Regulatory Commission;
- Requires the Postal Service Board of Governors to adjust rates so total revenues are at least equal to total costs; and
- Grants the Postal Service the flexibility to implement variable rates based on the distance mail travels, ensuring that prices more accurately reflect delivery costs.

2. Personnel—Right-Size, Right Now: *The I2D Act allows the Postal Service to increase efficiency and profitability by realigning personnel in a responsible way. Specifically, the bill:*

- Refunds \$6.9 billion the Postal Service is estimated to have overpaid into the Federal Employee Retirement System (FERS);
- Requires the Postal Service to use FERS surplus funds to encourage early retirement and voluntary separation to optimize its workforce and maximize the profitability of new ventures;
- Repeals the current prepayment schedule for Retiree Health Benefits and requires the Office of Personnel Management to establish a more practical and realistic schedule to be amortized over a longer period; and
- Preserves protections for Postal Service workers that were negotiated in good faith with management.

3. Preserve Performance and Improve Efficiency: *The I2D Act streamlines Postal Service processes and procedures to ensure that its excellent performance record is preserved and improved. Specifically, the bill:*

- Allows the Postal Service to develop new classes of mail products, in addition to existing classes, such as first-class, and standard delivery, so consumers can choose services they prefer;
- Increases efficiency by allowing the Postal Service to seek approval of service changes with the Postal Regulatory Commission on an expedited basis;
- Standardizes processes for closing retail facilities and streamlines appeal rights;
- Requires enhanced reporting to Congress and the Postal Regulatory Commission on the Postal Service's plans for right-sizing its network by closing and suspending retail and mail processing facilities; and
- Allows the Postal Service and its Inspector General to enter into collaborative agreements to enable each to benefit from the other's assets and expertise.