

110TH CONGRESS
2D SESSION

S. 3536

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 27, 2008

Referred to the Committee on Oversight and Government Reform

AN ACT

To amend section 5402 of title 39, United States Code, to modify the authority relating to United States Postal Service air transportation contracts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Air Carriage of Inter-
3 national Mail Act”.

4 **SEC. 2. AIR CARRIAGE OF INTERNATIONAL MAIL.**

5 (a) **CONTRACTING AUTHORITY.**—Section 5402 of
6 title 39, United States Code, is amended by striking sub-
7 sections (b) and (c) and inserting the following:

8 “(b) **INTERNATIONAL MAIL.**—

9 “(1) **IN GENERAL.**—

10 “(A) Except as otherwise provided in this
11 subsection, the Postal Service may contract for
12 the transportation of mail by aircraft between
13 any of the points in foreign air transportation
14 only with certificated air carriers. A contract
15 may be awarded to a certificated air carrier to
16 transport mail by air between any of the points
17 in foreign air transportation that the Secretary
18 of Transportation has authorized the carrier to
19 serve either directly or through a code-share re-
20 lationship with one or more foreign air carriers.

21 “(B) If the Postal Service has sought of-
22 fers or proposals from certificated air carriers
23 to transport mail in foreign air transportation
24 between points, or pairs of points within a geo-
25 graphic region or regions, and has not received
26 offers or proposals that meet Postal Service re-

quirements at a fair and reasonable price from at least 2 such carriers, the Postal Service may seek offers or proposals from foreign air carriers. Where service in foreign air transportation meeting the Postal Service's requirements is unavailable at a fair and reasonable price from at least 2 certificated air carriers, either directly or through a code-share relationship with one or more foreign air carriers, the Postal Service may contract with foreign air carriers to provide the service sought if, when the Postal Service seeks offers or proposals from foreign air carriers, it also seeks an offer or proposal to provide that service from any certificated air carrier providing service between those points, or pairs of points within a geographic region or regions, on the same terms and conditions that are being sought from foreign air carriers.

“(C) For purposes of this subsection, the Postal Service shall use a methodology for determining fair and reasonable prices for the Postal Service designated region or regions developed in consultation with, and with the concurrence of, certificated air carriers rep-

1 representing at least 51 percent of available ton
2 miles in the markets of interest.

3 “(D) For purposes of this subsection, ceil-
4 ing prices determined pursuant to the method-
5 ology used under subparagraph (C) shall be
6 presumed to be fair and reasonable if they do
7 not exceed the ceiling prices derived from—

8 “(i) a weighted average based on mar-
9 ket rate data furnished by the Inter-
10 national Air Transport Association or a
11 subsidiary unit thereof; or

12 “(ii) if such data are not available
13 from those sources, such other neutral,
14 regularly updated set of weighted average
15 market rates as the Postal Service, with
16 the concurrence of certificated air carriers
17 representing at least 51 percent of avail-
18 able ton miles in the markets of interest,
19 may designate.

20 “(E) If, for purposes of subparagraph
21 (D)(ii), concurrence cannot be attained, then
22 the most recently available market rate data de-
23 scribed in this subparagraph shall continue to
24 apply for the relevant market or markets.

1 “(2) CONTRACT PROCESS.—The Postal Service
2 shall contract for foreign air transportation as set
3 forth in paragraph (1) through an open procurement
4 process that will provide—

5 “(A) potential offerors with timely notice
6 of business opportunities in sufficient detail to
7 allow them to make a proposal;

8 “(B) requirements, proposed terms and
9 conditions, and evaluation criteria to potential
10 offerors; and

11 “(C) an opportunity for unsuccessful
12 offerors to receive prompt feedback upon re-
13 quest.

14 “(3) EMERGENCY OR UNANTICIPATED CONDI-
15 TIONS; INADEQUATE LIFT SPACE.—The Postal Serv-
16 ice may enter into contracts to transport mail by air
17 in foreign air transportation with a certificated air
18 carrier or a foreign air carrier without complying
19 with the requirements of paragraphs (b)(1) and (2)
20 if—

21 “(A) emergency or unanticipated condi-
22 tions exist that make it impractical for the
23 Postal Service to comply with such require-
24 ments; or

1 “(B) its demand for lift exceeds the space
2 available to it under existing contracts and—

3 “(i) there is insufficient time available
4 to seek additional lift using procedures
5 that comply with those requirements with-
6 out compromising the Postal Service’s
7 service commitments to its own customers;
8 and

9 “(ii) the Postal Service first offers
10 any certificated air carrier holding a con-
11 tract to carry mail between the relevant
12 points the opportunity to carry such excess
13 volumes under the terms of its existing
14 contract.

15 “(c) GOOD FAITH EFFORT REQUIRED.—The Postal
16 Service and potential offerors shall put a good-faith effort
17 into resolving disputes concerning the award of contracts
18 made under subsection (b).”.

19 (b) CONFORMING AMENDMENTS TO TITLE 49.—

20 (1) Section 41901(a) is amended by striking
21 “39.” and inserting “39, and in foreign air trans-
22 portation under section 5402(b) and (c) of title 39.”.

23 (2) Section 41901(b)(1) is amended by striking
24 “in foreign air transportation or”.

25 (3) Section 41902 is amended—

1 (A) by striking “in foreign air transpor-
 2 tation or” in subsection (a);

3 (B) by striking subsection (b) and insert-
 4 ing the following:

5 “(b) STATEMENTS ON PLACES AND SCHEDULES.—

6 Every air carrier shall file with the United States Postal
 7 Service a statement showing—

8 “(1) the places between which the carrier is au-
 9 thorized to transport mail in Alaska;

10 “(2) every schedule of aircraft regularly oper-
 11 ated by the carrier between places described in para-
 12 graph (1) and every change in each schedule; and

13 “(3) for each schedule, the places served by the
 14 carrier and the time of arrival at, and departure
 15 from, each such place.”;

16 (C) by striking “subsection (b)(3)” each
 17 place it appears in subsections (c)(1) and (d)
 18 and inserting “subsection (b)(2)”; and

19 (D) by striking subsections (e) and (f).

20 (4) Section 41903 is amended by striking “in
 21 foreign air transportation or” each place it appears.

22 (5) Section 41904 is amended—

23 (A) by striking “**to or in foreign**
 24 **countries**” in the section heading;

1 (B) by striking “to or in a foreign coun-
2 try” and inserting “between two points outside
3 the United States”; and

4 (C) by inserting after “transportation.”
5 the following: “Nothing in this section shall af-
6 fect the authority of the Postal Service to make
7 arrangements with noncitizens for the carriage
8 of mail in foreign air transportation under sub-
9 sections 5402(b) and (c) of title 39.”.

10 (6) Section 41910 is amended by striking the
11 first sentence and inserting “The United States
12 Postal Service may weigh mail transported by air-
13 craft between places in Alaska and make statistical
14 and –administrative computations necessary in the
15 interest of mail service.”.

16 (7) Chapter 419 is amended—

17 (A) by striking sections 41905, 41907,
18 41908, and 41911; and

19 (B) redesignating sections 41906, 41909,
20 41910, and 49112 as sections 41905, 41906,
21 41907, and 41908, respectively.

22 (8) The chapter analysis for chapter 419 is
23 amended by redesignating the items relating to sec-
24 tions 41906, 41909, 41910, and 49112 as relating

1 to sections 41905, 41906, 41907, and 41908, re-
2 spectively.

3 (9) Section 101(f) of title 39, United States
4 Code, is amended by striking “mail and shall make
5 a fair and equitable distribution of mail business to
6 carriers providing similar modes of transportation
7 services to the Postal Service.” and inserting
8 “mail.”.

9 (10) Subsections (b) and (c) of section 3401 of
10 title 39, United States Code, are amended—

11 (A) by striking “at rates fixed and deter-
12 mined by the Secretary of Transportation in ac-
13 cordance with section 41901 of title 49” and in-
14 serting “or, for carriage of mail in foreign air
15 transportation, other air carriers, air taxi oper-
16 ators or foreign air carriers as permitted by
17 section 5402 of this title”;

18 (B) by striking “at rates not to exceed
19 those so fixed and determined for scheduled
20 United States air carriers”;

21 (C) by striking “scheduled” each place it
22 appears and inserting “certificated”; and

23 (D) by striking the last sentence in each
24 such subsection.

1 (11) Section 5402(a) of title 39, United States
2 Code, is amended—

3 (A) by inserting “‘foreign air carrier’.”
4 after “‘interstate air transportation’,” in para-
5 graph (2);

6 (B) by redesignating paragraphs (7)
7 through (23) as paragraphs (8) through (24)
8 and inserting after paragraph (6) the following:
9 “(7) the term ‘certificated air carrier’ means an
10 air carrier that holds a certificate of public conven-
11 ience and necessity issued under section 41102(a) of
12 title 49;”;

13 (C) by redesignating paragraphs (9)
14 through (24), as redesignated, as paragraphs
15 (10) through (25), respectively, and inserting
16 after paragraph (8) the following:

17 “(9) the term ‘code-share relationship’ means a
18 relationship pursuant to which any certificated air
19 carrier or foreign air carrier’s designation code is
20 used to identify a flight operated by another air car-
21 rier or foreign air carrier;” and

22 (D) by inserting “foreign air carrier,”
23 after “terms” in paragraph (2).

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on October 1, 2008.

Passed the Senate September 26, 2008 (legislative day, September 17), 2008.

Attest: NANCY ERICKSON,
Secretary.