

person under the laws in effect on December 31, 1957, if his service in such forces had been service in the military or naval service of the United States.”

Effective date.

SEC. 2. This Act shall be effective from the first day of the second calendar month following its enactment.

Approved May 28, 1958.

## Public Law 85-426

May 27, 1958  
[H. R. 5836]

### AN ACT

To establish a postal policy, to adjust postal rates, to adjust the compensation of postal employees, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## TITLE I—POSTAL POLICY

### SHORT TITLE

Postal Policy  
Act of 1958.

SEC. 101. This title may be cited as the “Postal Policy Act of 1958”.

### FINDINGS

SEC. 102. The Congress hereby finds that—

(1) the postal establishment was created to unite more closely the American people, to promote the general welfare, and to advance the national economy;

(2) the postal establishment has been extended and enlarged through the years into a nationwide network of services and facilities for the communication of intelligence, the dissemination of information, the advancement of education and culture, and the distribution of articles of commerce and industry. Furthermore, the Congress has encouraged the use of these broadening services and facilities through reasonable and, in many cases, special postal rates;

(3) the development and expansion of these several elements of postal service, under authorization by the Congress, have been the impelling force in the origin and growth of many and varied business, commercial, and industrial enterprises which contribute materially to the national economy and the public welfare and which depend upon the continuance of these elements of postal service;

(4) historically and as a matter of public policy there have evolved, in the operations of the postal establishment authorized by the Congress, certain recognized and accepted relationships among the several classes of mail. It is clear, from the continued expansion of the postal service and from the continued encouragement by the Congress of the most widespread use thereof, that the postal establishment performs many functions and offers its facilities to many users on a basis which can only be justified as being in the interest of the national welfare;

(5) while the postal establishment, as all other Government agencies, should be operated in an efficient manner, it clearly is not a business enterprise conducted for profit or for raising general funds, and it would be an unfair burden upon any particular user or class of users of the mails to compel them to bear the

expenses incurred by reason of special rate considerations granted or facilities provided to other users of the mails, or to underwrite those expenses incurred by the postal establishment for services of a nonpostal nature; and

(6) the public interest and the increasing complexity of the social and economic fabric of the Nation require an immediate, clear, and affirmative declaration of congressional policy with respect to the activities of the postal establishment including those of a public service nature as the basis for the creation and maintenance of a sound and equitable postal-rate structure which will assure efficient service, produce adequate postal revenues, and stand the test of time.

#### DECLARATION OF POLICY

SEC. 103. (a) The Congress hereby emphasizes, reaffirms, and restates its function under the Constitution of the United States of forming postal policy.

(b) It is hereby declared to be the policy of the Congress, as set forth in this title—

(1) that the post office is a public service;

(2) to provide a more stable basis for the postal-rate structure through the establishment of general principles, standards, and related requirements with respect to the determination and allocation of postal revenues and expenses; and

(3) in accordance with these general principles, standards, and related requirements, to provide a means by which the postal-rate structure may be fixed and adjusted by action of the Congress, from time to time, as the public interest may require, in the light of periodic reviews of the postal-rate structure, periodic studies and surveys of expenses and revenues, and periodic reports, required to be made by the Postmaster General as provided by section 105 of this title.

(c) The general principles, standards, and related requirements referred to in subsection (b) of this section are as follows:

(1) In the determination and adjustment of the postal-rate structure, due consideration should be given to—

(A) the preservation of the inherent advantages of the postal service in the promotion of social, cultural, intellectual, and commercial intercourse among the people of the United States;

(B) the development and maintenance of a postal service adapted to the present needs, and adaptable to the future needs, of the people of the United States;

(C) the promotion of adequate, economical, and efficient postal service at reasonable and equitable rates and fees;

(D) the effect of postal services and the impact of postal rates and fees on users of the mails;

(E) the requirements of the postal establishment with respect to the manner and form of preparation and presentation of mailings by the users of the various classes of mail service;

(F) the value of mail;

(G) the value of time of delivery of mail; and

(H) the quality and character of the service rendered in terms of priority, secrecy, security, speed of transmission, use of facilities and manpower, and other pertinent service factors.

(2) The acceptance, transportation, and delivery of first-class mail constitutes a preferred service of the postal establishment and, therefore, the postage for first-class mail should be sufficient to cover (A) the entire amount of the expenses allocated to first-class mail in accordance with this title and (B) an additional amount representing the fair value of all extraordinary and preferential services, facilities, and factors relating thereto.

(3) Those services, elements of service, and facilities rendered and provided by the postal establishment in accordance with law, including services having public service aspects, which, in whole or in part, are held and considered by the Congress from time to time to be public services for the purposes of this title shall be administered on the following basis:

(A) the sum of such public service items as determined by the Congress should be assumed directly by the Federal Government and paid directly out of the general fund of the Treasury and should not constitute direct charges in the form of rates and fees upon any user or class of users of such public services, or of the mails generally; and

(B) nothing contained in any provision of this title should be construed as indicating any intention on the part of the Congress (i) that such public services, or any of them, should be limited or restricted or (ii) to derogate in any way from the need and desirability thereof in the public interest.

(4) Postal rates and fees shall be adjusted from time to time as may be required to produce the amount of revenue approximately equal to the total cost of operating the postal establishment less the amount deemed to be attributable to the performance of public services under section 104 (b) of this title.

#### IDENTIFICATION OF AND APPROPRIATIONS FOR PUBLIC SERVICES

SEC. 104. (a) The following shall be considered to be public services for the purposes of this title—

(1) the total loss resulting from the transmission of matter in the mails free of postage or at reduced rates of postage as provided by statute, including the following:

(A) paragraph (3) of subsection (a) of section 202 of the Act of February 28, 1925 (39 U. S. C. 283 (a) (3)), relating to reduced rates of postage on newspapers or periodicals of certain nonprofit organizations;

(B) sections 5 and 6 of the Act of March 3, 1877 (39 U. S. C. 321), relating to official mail matter of the Pan American Union sent free through the mails;

(C) section 25 of the Act of March 3, 1879, as amended (39 U. S. C. 286), and subsection (b) of section 2 of the Act of October 30, 1951 (39 U. S. C. 289a (b)), relating to free-county mailing privileges;

(D) the Act of April 27, 1904 (33 Stat. 313), the last paragraph under the heading "Office of the Third Assistant Postmaster General" contained in the first section of the Act of August 24, 1912 (37 Stat. 551), and the Joint Resolution of June 7, 1924 (43 Stat. 668; Pub. Res., No. 33, Sixty-eighth Congress), as contained in the Act of October 14, 1941 (55 Stat. 737; Public Law 270, Seventy-seventh Congress), and as further amended by the Act of September 7, 1949 (63 Stat. 690), relating to free postage and reduced postage rates on reading matter and other articles for the blind (39 U. S. C. 331);

43 Stat. 1066.

19 Stat. 335.

20 Stat. 361.

65 Stat. 673.

39 USC 331.

39 USC 331.

(E) the Act of February 14, 1929 (39 U. S. C. 336), granting free mailing privileges to the diplomatic corps of the countries of the Pan American Postal Union; 45 Stat. 1177.

(F) the Act of April 15, 1937 (39 U. S. C. 293c), granting reduced rates to publications for use of the blind; 50 Stat. 66.

(G) the Act of June 29, 1940 (39 U. S. C. 321-1), granting free mailing privileges to the Pan American Sanitary Bureau; 54 Stat. 695.

(H) the Act of May 7, 1945 (59 Stat. 707), and other provisions of law granting free mailing privileges to individuals;

(I) the second and third provisos of subsection (a) of section 2 of the Act of October 30, 1951 (65 Stat. 672; 39 U. S. C. 289a (a)), granting reduced second-class postage rates to publications of certain organizations;

(J) the last proviso of section 3 of the Act of October 30, 1951 (65 Stat. 673; 39 U. S. C. 290a-1), granting reduced third-class postage rates to certain organizations;

(K) section 302 of The Federal Voting Assistance Act of 1955 (5 U. S. C. 2192), granting free postage, including free airmail postage, to post cards, ballots, voting instructions, and envelopes transmitted in the mails under authority of such Act; and 69 Stat. 588.

(L) section 204 (d) and (e) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended (39 U. S. C. 292a (d) and (e)), including the amendment made by section 206 of this Act. 62 Stat. 1263, 1264.

(2) the loss resulting from the operation of such prime and necessary public services as the star route system and third- and fourth-class post offices;

(3) the loss incurred in performing nonpostal services, such as the sale of documentary stamps for the Department of the Treasury;

(4) the loss incurred in performing special services such as cash on delivery, insured mail, special delivery, and money orders; and

(5) the additional cost of transporting United States mail by foreign air carriers at a Universal Postal Union rate in excess of the rate prescribed for United States carriers.

(b) There is hereby authorized to be appropriated to the revenues of the Post Office Department for each fiscal year from any money in the Treasury not otherwise appropriated an amount, which shall be deemed to be attributable to the public services enumerated under subsection (a) of this section, equal to the total estimated expenditures of the Post Office Department for the year for such public services as determined by the Congress in the appropriation Act based upon budget estimates submitted to the Congress. Such appropriations shall be available to enable the Postmaster General to pay in to postal revenues at quarterly or other intervals such sums as may be necessary to reimburse the Post Office Department for such amount attributable to public services. Appropriation.

#### REVIEWS, STUDIES, SURVEYS, AND REPORTS OF POSTMASTER GENERAL

SEC. 105. (a) The Postmaster General is authorized and directed to initiate and conduct, through the facilities of the postal establishment, either on a continuing basis or from time to time, as he deems advisable, but not less often than every two years, a review of the postal-rate structure and a study and survey of the expenses incurred and the revenues received in connection with the several classes of

mail, and the various classes and kinds of services and facilities provided by the postal establishment, in order to determine, on the basis of such review, study, and survey for each class and kind of service or facility provided by the postal establishment, the need for adjustment of postal rates and fees in accordance with the policy set forth in this title.

Report to Congress.

(b) The Postmaster General shall submit to the Senate and the House of Representatives not later than April 15 of each alternate fiscal year, beginning with the fiscal year ending June 30, 1960, a report of the results of the review, study, and survey conducted pursuant to subsection (a) of this section. Such report shall include—

(1) information with respect to expenses and revenues which is pertinent to the allocation of expenses and the determination and adjustment of postal rates and fees in accordance with the policy set forth in this title; and

(2) such other information as is necessary to enable the Congress, or as may be required by the Congress or an appropriate committee thereof, to carry out the purposes of this title.

#### EFFECT ON FOURTH-CLASS MAIL RATES

SEC. 106. The provisions of this title shall not require any downward adjustment in rates of postage on fourth-class mail existing on the date of enactment of this Act.

## TITLE II—POSTAL RATE INCREASES

### SHORT TITLE

Postal Rate Increase Act, 1958.

SEC. 201. This title may be cited as the "Postal Rate Increase Act, 1958".

### FIRST-CLASS MAIL

SEC. 202. (a) That part of the first section of the Joint Resolution of June 30, 1947 (61 Stat. 213; 39 U. S. C. 280), which precedes the proviso, is amended by striking out "3 cents" and inserting in lieu thereof "4 cents".

(b) Section 1 of the Act of October 30, 1951 (65 Stat. 672; 39 U. S. C. 280), as amended, is further amended—

(1) by striking out "2 cents" wherever appearing in subsection (a) and inserting in lieu thereof "3 cents"; and

(2) by striking out "2 cents" in subsection (b) and inserting in lieu thereof "3 cents".

### DOMESTIC AIRMAIL

SEC. 203. Section 201 of the Postal Rate Revision and Federal Employees Salary Act of 1948 (62 Stat. 1261; 39 U. S. C. 463a) is amended—

(1) by striking out "6 cents" in the first sentence and inserting in lieu thereof "7 cents"; and

(2) by striking out "4 cents" in the second sentence and inserting in lieu thereof "5 cents".

### SECOND-CLASS MAIL

SEC. 204 (a) Section 2 (a) of the Act of October 30, 1951 (65 Stat. 672; 39 U. S. C. 289a), is amended by striking out the word "and" preceding clause (3) and by inserting immediately before the colon which precedes the first proviso a comma and the following: "and

(4) such postage is further adjusted to the amounts set forth in the following table, on the dates specified:

	January 1, 1959 (cents per pound or fraction thereof)	January 1, 1960 (cents per pound or fraction thereof)	January 1, 1961 (cents per pound or fraction thereof)
Nonadvertising portion.....	2.1	2.3	2.5
Advertising portion:			
First and second zones.....	2.2	2.6	3.0
Third zone.....	3.0	3.5	4.0
Fourth zone.....	4.5	5.2	6.0
Fifth zone.....	6.0	7.0	8.0
Sixth zone.....	7.7	8.7	10.0
Seventh zone.....	9.2	11.0	12.0
Eighth zone.....	11.0	12.5	14.0"

(b) Section 2 (c) of such Act of October 30, 1951, is amended by striking out "one-eighth of 1 cent" and inserting in lieu thereof "one-fourth of 1 cent effective January 1, 1959, three-eighths of 1 cent effective January 1, 1960, and one-half of 1 cent effective January 1, 1961, except that (1) in no case shall the postage on each individually addressed copy mailed by the organizations listed, and for the purposes prescribed, in the second and third provisos of subsection (a) of this section be less than one-eighth of 1 cent and (2) the per copy rates prescribed for publications covered by section 25 of the Act of March 3, 1879, as amended (39 U. S. C. 286), shall be continued".

65 Stat. 673.  
39 USC 289a.

(c) Section 2 (d) of such Act of October 30, 1951, is amended by striking out the words "two ounces" where they appear the second time and inserting in lieu thereof the word "ounce".

20 Stat. 361.  
39 USC 289a.

(d) The third clause of section 14 of the Act of March 3, 1879, as amended (39 U. S. C. 226), is amended to read as follows:

"Third. It must be formed of printed sheets: Provided, That publications produced by the stencil, mimeograph, or hectograph process or in imitation of typewriting shall not be regarded as printed within the meaning of this clause."

(e) Section 202 (a) of the Act of February 28, 1925, as amended (39 U. S. C. 283), is amended by adding at the end thereof the following new paragraph:

43 Stat. 1066.

"(4) For the purpose of this section, the portion of a publication devoted to advertisements shall include all advertisements inserted in such publication and attached permanently thereto."

#### CONTROLLED CIRCULATION PUBLICATIONS

(f) Section 203 of the Postal Rate Revision and Federal Employees Salary Act of 1948 (62 Stat. 1262; 39 U. S. C. 291b), is amended—

(1) by striking out "10 cents a pound or fraction thereof" and inserting in lieu thereof "12 cents a pound or fraction thereof regardless of the weight of the individual copies"; and

(2) by adding at the end thereof a new sentence reading "The rates provided in this section shall remain in effect until otherwise provided by the Congress."

#### THIRD-CLASS MAIL

SEC. 205. Section 3 of the Act of October 30, 1951 (65 Stat. 673; 39 U. S. C. 290a-1), is amended—

(1) by striking out so much of such section as precedes the first proviso and inserting in lieu thereof the following: "The rate of

postage on third-class matter shall be 3 cents for the first two ounces or fraction thereof, and 1½ cents for each additional ounce or fraction thereof up to but not including sixteen ounces in weight.”;

(2) in the first proviso contained in such section, by striking out “\$10” and inserting in lieu thereof “\$20”;

(3) in the second proviso contained in such section—

(A) by striking out “14 cents” and inserting in lieu thereof “16 cents”; and

(B) by striking out “1 cent” wherever appearing therein and inserting in lieu thereof “2 cents when mailed prior to July 1, 1960, and 2½ cents when mailed on or after such date”;

(4) by striking out the third proviso contained in such section;

(5) in the fourth proviso contained in such section, by striking out “3 cents” and inserting in lieu thereof “6 cents”; and

(6) by striking out the last proviso and inserting in lieu thereof the following: “*And provided further*, That on and after January 1, 1959, the rates of postage on third-class matter mailed by religious, educational, scientific, philanthropic, agricultural, labor, veterans’, or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, shall be the rates prescribed by this section, except that the minimum charge per piece for third-class matter mailed in bulk by such organizations or associations shall be 50 per centum of the minimum charge prescribed by this section for such mailings.”

#### FOURTH-CLASS MAIL

62 Stat. 1262.

SEC. 206. (a) Section 204 (a) of the Postal Rate Revision and Federal Employees Salary Act of 1948 (39 U. S. C. 292a (a)), as amended, is amended by striking out the words “over eight ounces” wherever they appear and inserting in lieu thereof “sixteen ounces or over”.

(b) Sections 204 (d) and (e) of such Act (39 U. S. C. 292a (d) and (e)) are amended to read as follows:

“(d) The following materials when in parcels not exceeding seventy pounds in weight may be sent at the postage rate of 9 cents for the first pound and 5 cents for each additional pound or fraction thereof, and this rate shall continue until otherwise provided by the Congress: (1) books permanently bound for preservation consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for students’ notations and containing no advertising matter other than incidental announcements of books; (2) sixteen-millimeter films and sixteen-millimeter film catalogs except when sent to commercial theaters; (3) printed music whether in bound form or in sheet form; (4) printed objective test materials and accessories thereto used by or in behalf of educational institutions in the testing of ability, aptitude, achievement, interests, and other mental and personal qualities with or without answers, test scores, or identifying information recorded thereon in writing or by mark; (5) phonograph recordings; and (6) manuscripts for books, periodical articles, and music.

“(e) (1) The following materials when in parcels not exceeding seventy pounds in weight when loaned or exchanged between (A) schools, colleges, or universities and (B) public libraries, religious, educational, scientific, philanthropic, agricultural, labor, veterans’,

or fraternal organizations or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, or between such organizations and their members or readers or borrowers, shall be charged with postage at the rate of 4 cents for the first pound and 1 cent for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection, and this rate shall continue until otherwise provided by the Congress: (i) books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for students' notations and containing no advertising matter other than incidental announcements of books; (ii) printed music, whether in bound form or in sheet form; (iii) bound volumes of academic theses in type-written or other duplicated form and bound volumes of periodicals; (iv) phonograph recordings; and (v) other library materials in printed, duplicated, or photographic form or in the form of unpublished manuscripts.

"(2) The rate provided in paragraph (1) for books may apply to sixteen-millimeter films, filmstrips, transparencies for projection and slides, microfilms, sound recordings, and catalogs of such materials when sent in parcels not exceeding seventy pounds in weight to or from (A) schools, colleges, or universities and (B) public libraries, religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual.

"(3) Public libraries, organizations, or associations, before being entitled to the rates specified in paragraphs (1) and (2) of this subsection, shall furnish to the Postmaster General, under such regulations as he may prescribe, satisfactory evidence that none of their net income inures to the benefit of any private stockholder or individual."

(c) (1) The first section of the Act entitled "An Act to readjust the size and weight limitations on fourth-class (parcel post) mail", approved October 24, 1951 (65 Stat. 610; 39 U. S. C. 240a), is amended by striking out the words "over eight ounces" each place they appear therein and inserting in lieu thereof the words "sixteen ounces or over".

(2) Section 207 (a) of the Act of February 28, 1925 (39 U. S. C. 240), as amended, is amended by striking out the words "in excess of eight ounces" and inserting in lieu thereof the words "sixteen ounces or over".

#### BOOKS FOR THE BLIND

SEC. 207. The Act entitled "An Act to further amend the Acts for promoting the circulation of reading matter among the blind", approved October 14, 1941 (55 Stat. 737), is amended by inserting immediately after "for which no subscription fee is charged" a semicolon and the following: "books, or pages thereof, in raised characters, whether prepared by hand or printed, which contain no advertisements, when furnished by any person to a blind person without cost to such blind person".

39 USC 331.

#### SUBSCRIPTION ORDER, BILL, AND RECEIPT FORMS

SEC. 208. The final clause in the first sentence of the Act of January 20, 1888 (25 Stat. 1; 39 U. S. C. 249), is amended by striking out the



following: “, but the same shall be in such form as to convey no other information than the name, place of publication, subscription price of the publication to which they refer and the subscription due thereon”.

STUDIES AND REPORTS WITH RESPECT TO THIRD-CLASS BULK RATE INCREASES

SEC. 209. (a) The Secretary of Commerce and the Administrator of the Small Business Administration each is authorized and directed to initiate and conduct, through the facilities and personnel of his department or agency, as soon as practicable after July 1, 1959, a separate study of the increases in the rates of postage in third-class bulk mail matter under the amendments made by section 205 (3) (A) and (B) of this title, in order to determine the effect of such increases on small business enterprises and on the users of the mails and the national economy generally.

Reports to Congress.

(b) The Secretary of Commerce and the Administrator of the Small Business Administration each shall submit to the Senate and House of Representatives on or before March 1, 1960, a separate report of the results of the study conducted by him under subsection (a) of this section, together with such recommendations as may be necessary and appropriate.

INVESTIGATION AND STUDY BY POSTMASTER GENERAL OF DIMENSIONAL CATEGORIES FOR FIRST- AND THIRD-CLASS MAIL ENVELOPES

SEC. 210. (a) The Postmaster General is authorized and directed to conduct a thorough investigation and study of the feasibility and desirability of—

(1) the establishment, by regulation of the Postmaster General, of such number of categories (but not less than two categories) of specified length and width dimensions for envelopes to be used for the transmission of first-class and third-class mail, as the Postmaster General may determine to be necessary or desirable to increase the efficient handling of the mail; and

(2) the establishment of an additional charge on any such mail transmitted in an envelope which does not conform in length and width to one of such dimensional categories for envelopes.

Report to Congress.

(b) The Postmaster General shall submit to the Senate and House of Representatives, on or before February 1, 1959, a report of the results of such investigation and study, together with his recommendations with respect thereto, including his recommendations for any necessary legislation.

DETERMINATION OF CLASS OF POST OFFICE AND COMPENSATION OF POSTMASTER AND CERTAIN EMPLOYEES

SEC. 211. No part of the gross postal receipts of any post office, which are determined in accordance with estimates of the Postmaster General to be attributable to the increases in postage rates provided by this Act, shall be counted for the purpose of determining the classes of the respective post offices and the compensation and allowances of postmasters and other employees whose compensation or allowances are based on the annual gross receipts of such post offices. Nothing contained in this section shall operate to relegate a post office to a class or receipts category below the class or receipts category to which such post office may be assigned on the basis of gross postal

receipts accruing during the last complete calendar year prior to the date of enactment of this Act or, in the case of a post office which was in existence on such date of enactment but which was not in existence during the whole of such calendar year, on the basis of gross postal receipts accruing during the last quarter prior to the date of enactment of this Act.

#### SALARY STEP INCREASES

SEC. 212. (a) Subsection (a) of section 401 of the Postal Field Service Compensation Act of 1955, as amended (39 U. S. C. 981 (a)), is amended by striking out "salary level PFS-9 or a lower salary level of".

69 Stat. 122.

(b) Subsection (b) of such section (39 U. S. C. 981 (b)) is repealed.

Repeal.

#### CONDITIONS PRECEDENT TO WITHDRAWAL FROM GENERAL FUND OF TREASURY

SEC. 213. That part of the paragraph under the heading "General Provisions" under the appropriations for the Post Office Department contained in chapter IV of the Supplemental Appropriation Act, 1951 (64 Stat. 1050; 31 U. S. C. 695), which precedes the proviso is amended by striking out "the receipt of revenue from fourth-class mail service sufficient to pay the cost of such service" and inserting in lieu thereof "(1) that the revenues from fourth-class mail service will not exceed by more than 4 per centum the costs thereof and (2) that the costs of such fourth-class mail service will not exceed by more than 4 per centum the revenues therefrom".

#### REPEALS

SEC. 214. (a) The following provisions of law are hereby repealed—

46 Stat. 523.

(1) The Act of June 9, 1930 (39 U. S. C. 793), relating to certification of estimated amounts of postage that would have been collected on certain free or reduced-rate mailings, which the Postmaster General is required to make to the Secretary of the Treasury and to the Comptroller General of the United States;

(2) Paragraph (4) of section 202 (a) of the Act of February 28, 1925 (45 Stat. 941; 39 U. S. C. 283 (4));

(3) Section 202 (b) of the Act of February 28, 1925 (43 Stat. 1066; 39 U. S. C. 283 (b)); and

(4) Section 204 of the Act of February 28, 1925 (43 Stat. 1067; 39 U. S. C. 288).

(b) The last sentence of section 4 (a) of the Civil Service Retirement Act as contained in the Civil Service Retirement Act Amendments of 1956 (70 Stat. 747) is hereby repealed, and hereafter the amounts contributed by the Post Office Department to the civil service retirement and disability fund in compliance with such section 4 (a) of the Civil Service Retirement Act shall be considered as costs of providing postal service for the purpose of establishing postal rates.

5 USC 2254(a).

#### EFFECTIVE DATES

SEC. 215. (a) The provisions of this section and sections 201, 204 (d), 204 (e), 209, 210, 211, 212, 213, and 214 (a) (1), (2), and (4) of this title shall become effective on the date of enactment of this Act.

(b) The provisions of sections 202, 203, 204 (c), 204 (f), 205 (1),

205 (5), and 206 of this title shall become effective on the first day of the first month which begins at least 40 days after the date of enactment of this Act.

(c) The provisions of section 204 (a) and (b) of this title shall become effective as provided in such section 204 (a) and (b).

(d) The provisions of sections 205 (2), 205 (3), 205 (4), 205 (6), and 214 (a) (3) of this title shall become effective on January 1, 1959.

(e) The provisions of sections 207 and 208 of this title shall become effective on July 1, 1958.

(f) The provisions of section 214 (b) of this title shall become effective as of the effective date of the Civil Service Retirement Act Amendments of 1956.

5 USC 2251 note.

### TITLE III—POSTAL MODERNIZATION FUND

#### ESTABLISHMENT OF FUND

SEC. 301. There is hereby established in the Treasury of the United States a fund to be known as the "Postal Modernization Fund" (hereinafter referred to as the "Fund").

#### APPROPRIATIONS TO FUND

SEC. 302. There are hereby authorized to be appropriated and paid into the Fund such sums as may be necessary during each fiscal year, beginning with the fiscal year ending June 30, 1959 and ending with the fiscal year ending June 30, 1961, to carry out the purposes of this title.

#### EXPENDITURE FROM FUND

SEC. 303. Moneys paid into the Fund, together with any income thereof under section 304 (b) or otherwise, shall be available until expended for obligation by the Postmaster General for the purpose of conducting research, either directly or through private or other organizations, and for the purpose of developing, acquiring, and placing into operation improved equipment and facilities for the performance of the postal function.

#### MANAGEMENT OF FUND

Report to Congress.

SEC. 304. (a) It shall be the duty of the Secretary of the Treasury to hold the Fund, and (after consultation with the Postmaster General) to report to the Congress not later than the first day of January of each year (beginning with 1960) on the financial condition of the Fund as of the end of the next preceding fiscal year.

(b) It shall be the duty of the Secretary of the Treasury to invest such portion of the Fund as is not, in his judgment, after consultation with the Postmaster General, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

#### REPORT OF POSTMASTER GENERAL

Report to Congress.

SEC. 305. The Postmaster General shall include in his annual report to the President for each year a detailed report of his activities during such year under this title.

TITLE IV—INCREASES IN COMPENSATION OF POSTAL EMPLOYEES

SEC. 401. The Postal Field Service Compensation Act of 1955, approved June 10, 1955 (Public Law 68, Eighty-fourth Congress), is hereby amended as follows:

(a) In section 301 (a) strike out the Postal Field Service Schedule, and insert the following schedule:

70 Stat. 741.  
39 USC 971.

“POSTAL FIELD SERVICE SCHEDULE

Level	Per annum rates and steps						
1	\$3,095	\$3,205	\$3,315	\$3,425	\$3,535	\$3,645	\$3,755
Temporary rate	3,170	3,285	3,400	3,515	3,630	3,745	3,860
2	3,320	3,435	3,550	3,665	3,780	3,895	4,010
Temporary rate	3,405	3,525	3,645	3,765	3,885	4,005	4,125
3	3,580	3,705	3,830	3,955	4,080	4,205	4,330
Temporary rate	3,670	3,800	3,930	4,060	4,190	4,320	4,450
4	3,935	4,070	4,205	4,340	4,475	4,610	4,745
Temporary rate	4,035	4,175	4,315	4,455	4,595	4,735	4,875
5	4,170	4,305	4,440	4,575	4,710	4,845	4,980
Temporary rate	4,275	4,415	4,555	4,695	4,835	4,975	5,115
6	4,505	4,655	4,805	4,955	5,105	5,255	5,405
Temporary rate	4,620	4,775	4,930	5,085	5,240	5,395	5,550
7	4,870	5,035	5,200	5,365	5,530	5,695	5,860
Temporary rate	4,945	5,110	5,275	5,440	5,605	5,770	5,935
8	5,255	5,440	5,625	5,810	5,995	6,180	6,365
9	5,675	5,875	6,075	6,275	6,475	6,675	6,875
10	6,235	6,450	6,665	6,880	7,095	7,310	7,525
11	6,890	7,095	7,300	7,505	7,710	7,915	8,120
12	7,545	7,805	8,065	8,325	8,585	8,845	9,105
13	8,310	8,590	8,870	9,150	9,430	9,710	9,990
14	9,140	9,440	9,740	10,040	10,340	10,640	10,940
15	10,050	10,350	10,650	10,950	11,250	11,550	11,850
16	11,075	11,375	11,675	11,975	12,275	12,575	12,875
17	12,255	12,555	12,855	13,155	13,455	13,755	14,055
18	13,760	14,060	14,360	14,660	14,960	15,260	15,560
19	15,000	15,300	15,600	15,900			
20	16,000						

(b) In section 302 (a) strike out the Rural Carrier Schedule, and insert the following schedule:

“RURAL CARRIER SCHEDULE

	Per annum rates and steps						
	1	2	3	4	5	6	7
Carriers in rural delivery service:							
Fixed compensation per annum	\$1,841	\$1,896	\$1,951	\$2,006	\$2,061	\$2,116	\$2,171
Temporary rate	1,941	2,001	2,061	2,121	2,181	2,241	2,301
Compensation per mile per annum for each mile up to 30 miles of route	65	67	69	71	73	75	77
For each mile of route over 30 miles	22	22	22	22	22	22	22
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:							
Fixed compensation per annum	1,841						
Temporary rate	1,941						
Compensation per mile per annum for each mile up to 30 miles of route	65						
For each mile of route over 30 miles	22						
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)

<sup>1</sup> Basic compensation authorized for the regular carrier.

(c) In section 302 (c) strike out “\$4,700” and insert “\$5,165 during the period referred to in section 304 (c) or \$5,035 thereafter”.

39 USC 972.

(d) In section 303 (a) strike out the Fourth-Class Office Schedule and insert the following schedule:

39 USC 973.

“FOURTH-CLASS OFFICE SCHEDULE

Gross receipts	Per annum rates and steps						
	1	2	3	4	5	6	7
\$1,300 to \$1,499.99	\$2,703	\$2,793	\$2,883	\$2,973	\$3,063	\$3,153	\$3,243
Temporary rate	2,771	2,863	2,955	3,047	3,139	3,231	3,323
\$900 to \$1,299.99	2,477	2,559	2,641	2,723	2,805	2,887	2,969
Temporary rate	2,539	2,623	2,707	2,791	2,875	2,959	3,043
\$600 to \$899.99	2,027	2,094	2,161	2,228	2,295	2,362	2,429
Temporary rate	2,078	2,148	2,218	2,288	2,358	2,428	2,498
\$350 to \$599.99	1,577	1,629	1,681	1,733	1,785	1,837	1,889
Temporary rate	1,616	1,669	1,722	1,775	1,828	1,881	1,934
\$250 to \$349.99	1,127	1,164	1,201	1,238	1,275	1,312	1,349
Temporary rate	1,155	1,193	1,231	1,269	1,307	1,345	1,383
\$200 to \$249.99	901	931	961	991	1,021	1,051	1,081
Temporary rate	924	954	984	1,014	1,044	1,074	1,104
\$100 to \$199.99	676	698	720	742	764	786	808
Temporary rate	693	715	737	759	781	803	825
Under \$100	450	465	480	495	510	525	540
Temporary rate	461	476	491	506	521	536	551”

39 USC 974. (e) In section 304 insert the following new subsection:  
 “(c) Wherever a temporary per annum rate is provided by a basic salary schedule contained in this title, such temporary rate shall be in effect, in lieu of the regular scheduled rate, for the period beginning on the effective date of this amendment and ending on the last day of the last pay period which begins not more than three years after such date.”

69 Stat. 124. SEC. 402 (a) The annual rate of basic salary of any officer or employee whose basic salary by reason of the provisions of section 504 of the Postal Field Service Compensation Act of 1955 is at a rate between two scheduled rates, or above the highest scheduled rate, in the Postal Field Service Schedule, the Rural Carrier Schedule, or the Fourth-Class Office Schedule, whichever may be applicable, is hereby increased by an amount equal to the amount of the increase made by this title in the next lower rate of the appropriate level in such schedule.

39 USC 951 note. (b) As used in this section, the term “basic salary” has the same meaning as when used in the Postal Field Service Compensation Act of 1955.

39 USC 981. SEC. 403. No increase under the provisions of this title shall be construed to be an equivalent increase within the meaning of section 401 (a) of the Postal Field Service Compensation Act of 1955.

Canal Zone employees. SEC. 404. The Governor of the Canal Zone is authorized and directed to grant, effective as of January 1, 1958, increases in the compensation of postal employees of the Canal Zone Government comparable to those provided by this title for similar employees.

Guam. SEC. 405. This Act shall have the same force and effect within Guam as within other possessions of the United States.

Retroactivity. SEC. 406. (a) Retroactive compensation or salary shall be paid by reason of this title only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) or the municipal government of the District of Columbia on the date of enactment of this title, except that such retroactive compensation or salary shall be paid (1) to a postmaster, officer, or employee who retired during the period beginning on the first day of the first pay period which began on or after January 1, 1958, and ending on the date of enactment of this title for services rendered during such period and (2) in accordance with the provisions of the Act of August 3, 1950 (Public Law 636, Eighty-first Congress), as

amended, for services rendered during the period beginning on the first day of the first pay period which began on or after January 1, 1958, and ending on the date of enactment of this title by a postmaster, officer, or employee who died during such period. Such retroactive compensation or salary shall not be considered as basic salary for the purposes of the Civil Service Retirement Act in the case of any such retired or deceased postmaster, officer, or employee.

70 Stat. 743.  
5 USC 2251 et  
seq.

(b) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

SEC. 407. (a) This title shall take effect as of the first day of the first pay period which began on or after January 1, 1958.

Effective date.

(b) For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, all changes in rates of compensation or salary which result from the enactment of this title shall be held and considered to be effective as of the date of such enactment.

68 Stat. 736.  
5 USC 2091 note.

Approved May 27, 1958.

## Public Law 85-427

### AN ACT

To amend the Act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation.

May 29, 1958  
[S. 2557]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the last sentence of the Act entitled "An Act granting the consent of Congress to the negotiation by the States of Nebraska, Wyoming, and South Dakota of certain compacts with respect to the use of waters common to two or more of said States", approved August 5, 1953 (67 Stat. 365) is amended by striking out "five years" and inserting in lieu thereof "eight years".

Approved May 29, 1958.

## Public Law 85-428

### AN ACT

To amend the Act of June 5, 1944, relating to the construction, operation, and maintenance of Hungry Horse Dam, Montana.

May 29, 1958  
[S. 847]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, in order to clarify the status of the Hungry Horse project, Montana, section 1 of the Act of June 5, 1944 (58 Stat. 270, 43 U. S. C. 593a), is hereby amended by adding to it a new sentence reading as follows:

"The Hungry Horse project shall be subject to the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto)."

43 USC 371 and  
note.

Approved May 29, 1958.