SEC. ___. ACCESS TO AND USE OF MILITARY POSTAL SERVICE BY U.S. CITIZENS EMPLOYED OVERSEAS BY THE NORTH ATLANTIC TREATY ORGANIZATION WHO PERFORM FUNCTIONS IN SUPPORT OF MILITARY OPERATIONS OF THE ARMED FORCES OF THE UNITED STATES.

Section 406 of title 39, United States Code, is amended by adding at the end the following new subsection:

"(c)(1) The Secretary of Defense may authorize United States citizens who are employed by the North Atlantic Treaty Organization to use branch post offices established under subsection (a) that are located outside of the United States if—

"(A) such citizens perform functions in support of the Armed Forces of the United States; and

"(B) the Secretary makes a written determination that it is in the best interests of the Department of Defense to authorize such use and that such use is otherwise authorized by applicable host nation law or agreement.

"(2) No funds may be obligated or expended to establish, maintain, or expand a branch post office established under subsection (a) solely to accommodate the use by United States citizens described in paragraph (1).".

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This proposal would amend section 406 of title 39, United States Code, by giving the Secretary of Defense the explicit authority to expend Department of Defense appropriated funds to provide military postal service support to United States citizens living in overseas locations and employed by the North Atlantic Treaty Organization (NATO), that provide functions that support the Armed Forces of the United States. The support would only be provided when the

Secretary has determined in writing that it is in the best interests of the United States, to do so, when host nation authorization or agreements allow for the benefit, and when it will not require the Department of Defense to obligate and expend appropriated funds to increase significantly the operating costs of a military post office to provide this support to this category of United States citizens.

This section of United States Code is silent on this issue, which has caused inconsistent authorization of military postal support for employees of organizations consisting of a mixture of U.S. Government and U.S. citizen direct-hire personnel. The Department of Defense has granted and rescinded military postal privileges for NATO direct-hire personnel, who are U.S. citizens, multiple times due to differing interpretations of existing law. The purpose of this legislative change proposal is to remove any ambiguity concerning the authority of the Secretary of Defense to authorize and provide the requisite funding for this service to U.S. citizens who are not employed by the Department of Defense, but who are employed by NATO in overseas locations and provide support to the U.S. Armed Forces. The proposal is drafted to enable the Secretary to maintain the flexibility to provide this support at the military postal facility in the cognizant location overseas only when the Secretary determines that it is within DoD's best interests and it has been determined appropriate to expend DoD appropriated funds to do so.

The Department of Defense postal policy is set forth in DoD Instruction 4525.07, "Military Postal Service," which provides policy on military postal service patrons and will be updated as appropriate to provide specific guidance concerning extending the privilege to U.S. citizens who are living and working overseas and are direct hires of NATO.

Budget Implications: This proposal is not expected to significantly increase the overall budget requirements of the Department of Defense since the change explicitly limits the Department's ability to establish, maintain, or expand an Armed Forces post office solely for the purpose of accommodating U.S. citizens living and working in overseas locations, who are employed by NATO and who perform functions in support of the military mission of the U.S. Armed Forces. The only projected budget effect would be on the Military Department's Second Destination Transportation (SDT) accounts used to subsidize overseas shipments of mail, which is expected to be very minimal. Although it is difficult to calculate an exact cost without knowing the total number of potential new Armed Forces post office patrons, it is reasonable to assume that the number should be in the hundreds in comparison to the tens of thousands of total worldwide Military Postal users. This assumption is based upon the fact these new users of the military post office would have to –

1. Request permission to use the military postal system.
2. Obtain a written determination of the Secretary of Defense that it is in the best interest of the Department of Defense to grant such privileges; and .
3. Be co-located with an existing Armed Forces Post Office.

Given the above, we believe it is appropriate to use **.5%** of FY16* SDT mail expenditures as an approximation of the budgetary effect of this proposal. The FY16 SDT mail expenditures, as reported by the Military Postal Service Agency, was approximately $118M, so the effect of this

proposal is roughly $591K per year. Using historical percentages of 56% (Army), 23% (Air Force), and 21% (Navy) yields the following estimated resource requirements:

RESOURCE REQUIREMENTS ($Millions)									
	FY 2018	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**Appropriation From**	**Budget Activity**	**Dash 1 Line Item**	**Program Element**
Army	.331	.331	.331	.331	.331	Operation and Maintenance, Army	4	421	0708010A
Air Force	.136	.136	.136	.136	.136	Operation and Maintenance, Air Force	4	41A	0708010F
Navy/Marine Corps	.124	.124	.124	.124	.124	Operation and Maintenance, Navy	4	4B1N	0708010N
Total	.591	.591	.591	.591	.591				

**FY16 was chosen as it not only represents recent expenditure history, but is also less skewed by deployment activities than prior years.*

Changes to Existing Law: This proposal would make the following changes to section 406 of title 39, United States Code:

§ 406. Postal services at Armed Forces installations

(a) The Postal Service may establish branch post offices at camps, posts, bases, or stations of the Armed Forces and at defense or other strategic installations.

(b) The Secretaries of Defense and Transportation shall make arrangements with the Postal Service to perform postal services through personnel designated by them at or through branch post offices established under subsection (a) of this section.

(c)(1) The Secretary of Defense may authorize United States citizens who are employed by the North Atlantic Treaty Organization to use branch post offices established under subsection (a) that are located outside of the United States if—

(A) such citizens perform functions in support of the Armed Forces of the United States; and

(B) the Secretary makes a written determination that it is in the best interests of the Department of Defense to authorize such use and that such use is otherwise authorized by applicable host nation law or agreement.

(2) No funds may be obligated or expended to establish, maintain, or expand a branch post office established under subsection (a) solely to accommodate the use by United States citizens described in paragraph (1).