

offices in lieu of totally shuttering a beloved post office in the heart of town.

There are so many options the Postal Service could use. For example, moving the post office into a retail store, providing hours part time—say at 7 to 9 in the morning, when people are going to work, or 5 to 7 in the evening when they are coming home. We need to be creative. In recent months we have seen the Postal Service announce a number of Draconian measures, including the closing of hundreds of processing plants and implementing disastrous service standards changes, including a proposal to do away with overnight delivery, one of the real advantages the Postal Service has.

Our bill takes a better approach that helps the Postal Service rightsize its excess capacity while still maintaining what is one of its most valuable assets: its ability to deliver mail overnight to many areas.

Let me give another example. The Postal Service has proposed closing one of two processing plants in the State of Maine, the one that is located in Hampden, ME, in the central eastern part of our State. That means for northern Maine communities that are sending mail between those communities, the letter would have to take a roundtrip of more than 600 miles to be processed and returned. That makes no sense at all. It clearly will lead to a marked slowness in delivery, a deterioration in service, and, I would argue, probably to more costs. That plant could be downsized, but it should never be closed.

There are so many options that need to be pursued by the Postal Service in order to prevent service from deteriorating and delivery times from lengthening because, once again, that will drive more mail out of the system, and that is the last thing the Postal Service needs.

I would say that many postal employees have pointed out to me, as has the inspector general, that there are excessive bureaucratic costs at the Postal Service. For example, the Postal Service—even though it is insisting on closing all these facilities—already has over 67 million square feet of excess property that it has yet to dispose of. The bill requires the Postal Service to devise a plan to close and consolidate these administrative offices around the country and to start implementing that plan within the year.

We have also encouraged collocation of postal facilities with other Federal agencies, an idea that Senator CARPER had to minimize excess capacity. We also authorized the Postal Service to convert delivery from front door to the curb where it is practical and cost effective. The Postal Service inspector general has estimated this could save as much as \$4.5 billion a year.

Another controversial issue that we tackle in this bill is the Postmaster General's proposal to eliminate Saturday delivery. I have said repeatedly

that I believe abandoning Saturday delivery will once again drive mail out of the system and do more harm than good. Our compromise prohibits eliminating Saturday delivery for at least 2 years so that cost-cutting reforms can be implemented. If at that point to achieve solvency the Postal Service needs to go to 5-day delivery, it can do so if it proves it has done everything else to cut its excessive costs. Again, reducing service should be the last resort, not the first option. Our hope is that the cost-cutting tools we provide the Postal Service in this bill will allow this service reduction to be avoided.

There is much more in this bill which we will discuss as the debate goes on. Today is just the first step in what I know is going to be a long journey. But the point is we must pass a postal reform bill. The House also has a bill that awaits floor consideration, and more compromises will have to be made along the way. But we cannot forget the urgency of this task.

I ask my colleagues to work with us during the upcoming floor debate, and I urge their support for final passage. The fact is it is up to us to preserve this vital American institution, the U.S. Postal Service.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:45 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. WEBB).

21ST CENTURY POSTAL SERVICE ACT MOTION TO PROCEED—Continued

Mr. LIEBERMAN. Mr. President, I know the Senator from Maryland, Mr. CARDIN, is on his way to the floor to make a statement. Pending that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CARDIN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CARDIN. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

RACIAL PROFILING

Mr. CARDIN. Mr. President, I take this time to inform my colleagues of a hearing that took place this morning before the Subcommittee on the Constitution, Civil Rights and Human Rights of the Senate Judiciary Committee, chaired by Senator DURBIN. Senator DURBIN has been a leader in this body on making sure we have a

committee that focuses on the issues of human rights. Today's hearing on racial profiling, ending racial profiling in America, was the first hearing we have had in Congress on racial profiling since the attack on our country on September 11. I congratulate Senator DURBIN for holding this hearing. I thought the hearing was very informative as to a problem we have in America on the use of racial profiling.

I know the Nation has been focused on the tragedy that took place in Sanford, FL, in which 17-year-old Travon Martin was killed, a clearly avoidable death, by Mr. Zimmerman. We first and foremost want to make sure justice prevails in this case. I know there is a case pending in Florida. We are all going to be watching that very carefully. There is a Federal investigation underway by the Department of Justice to look into circumstances concerning Travon Martin's death, to see what role race played in regard to that tragedy, not only as it related to Travon Martin's death but also as to the investigation that ensued.

A few weeks ago, I spoke about this issue at the Center for Urban Families in Baltimore. That is a group that is interested in urban family life. We came together shortly after Travon Martin's tragic death to talk about what had happened.

I was very much moved by so many people who came forward at that meeting and explained how they had been victims of racial profiling. A young woman talked about the time she went to a basketball game with her father and her father was pulled over and stopped by police for no apparent reason other than the color of his skin and how that impacted this girl, seeing her father held, unable to go to the basketball game. These types of victimization occur too frequently in our community, where people are picked out solely because of their race, their religion, their ethnic background.

We have a problem in this country, and we need to do something about that. The question that needs to be answered in regard to Travon Martin is was he initially pursued because of the color of his skin. Would Mr. Zimmerman have done the same if it was a White child rather than an African American?

In October of 2011, I introduced S. 1670, the End Racial Profiling Act. I am proud to have many colleagues as cosponsors, including Senator BLUMENTHAL, Senator BOXER, Senator DURBIN, Senator GILLIBRAND, Senator JOHN KERRY, Senator LAUTENBERG, Senator LEVIN, Senator MENENDEZ, Senator MIKULSKI, Senator HARRY REID, Senator STABENOW, and Senator MARK UDALL. I thank my cosponsors for joining me in this legislation.

This legislation would make it clear that racial profiling will not be allowed in this country. Racial profiling is un-American. It is against the values of our Nation. It is contrary to the 14th amendment of the Constitution, which

provides for equal protection under the law. It is counterproductive, and it doesn't keep us safe. We are using valuable police resources in a way that is wasting those resources. It is sloppy police work if you try to identify a problem by race rather than looking for good police work to identify the real perpetrator of a crime. It also creates a mistrust in the community they are trying to protect, a community that they need to help and to cooperate with as far as keeping the community safe. For all of those reasons, racial profiling should have no place in modern law enforcement. We need a national law.

I was impressed that in the hearing today there was general consensus that we have a problem in this country, that there is a problem of law enforcement using racial profiling, which should not be done. The bill, S. 1670, would prohibit the use of racial profiling. By making a decision based upon race, ethnicity, national origin, or religion, basically what you are doing is subjecting an individual to a spontaneous investigation. That should have no place. What we are talking about is someone being stopped for a routine traffic stop, subjected to a search, interrogated, or investigated based on that person's race or the scope and substance of law enforcement activities following an initial investigative proceeding are determined because of race. That should have no place in America.

My legislation would apply to all levels of government, not just Federal but State and local law enforcement. It requires mandatory training. And here is an issue on which I think we should all agree. Perhaps the tragedy that happened with Trayvon Martin would not have happened if Mr. Zimmerman had been trained on the issues of what is good police work and what is not good police work and how racial profiling needs to be eliminated. We feel very strongly about the need for mandatory training.

The legislation requires data collection by local and State law enforcement. State and local law enforcement must maintain adequate policies and procedures designated to eliminate profiling, and they must eliminate any existing practices that present or encourage racial profiling.

The Department of Justice has granted authority to make grants to promote best practices, so one jurisdiction can learn from another as to what the best practices are in order to make sure that this practice is not being used and that we are doing everything possible to keep communities safe by good police work, not by sloppy police work.

I wish to point out that the overwhelming majority of people who are in law enforcement do it the right way. We have dedicated men and women who work every day to keep us safe—our first responders. We owe them a debt of gratitude, we owe them our support,

and we cannot say enough complimentary things about what they do every day by putting their lives on the line to keep us safe. So for the sake of what is right for America and for the sake of the overwhelming majority of the people who are professionals in law enforcement, we need to make it clear that racial profiling has no role in American law enforcement.

I am proud of the many groups that are supporting this legislation, including the NAACP, the ACLU, the Leadership Conference of Civil and Human Rights, and numerous other organizations.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the list of organizations that are supporting the legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CARDIN. Let me conclude by quoting our former colleague Senator Kennedy, who said that civil rights is the great unfinished business of America. Let's continue to fight to make sure we have equal justice under the law for all Americans. That is what the legislation I have introduced will do. The End Racial Profiling Act will continue us on that journey to provide equal justice in the law to all Americans.

EXHIBIT 1

GROUP ENDORSEMENTS OF END RACIAL PROFILING ACT

NATIONAL ORGANIZATIONS

A. Philip Randolph Institute; African American Ministers in Action; American Civil Liberties Union; American Humanist Association; American-Arab Anti-Discrimination Committee; American Probation and Parole Association; Asian & Pacific Islander American Health Forum; Asian American Justice Center; Asian Law Caucus; Asian Pacific American Labor Alliance; Bill of Rights Defense Committee; Blacks in Law Enforcement in America; Break the Cycle; Brennan Center for Justice at New York University School of Law; Campaign for Community Change; Campaign for Youth Justice; Center for National Security Studies; Charles Hamilton Houston Institute for Race and Justice at Harvard Law School; Council on American-Islamic Relations; Council on Illicit Drugs of the National Association for Public Health Policy.

Disciples Justice Action Network; Drug Policy Alliance; Equal Justice Society; Fair Immigration Reform Movement; Fellowship of Reconciliation; Human Rights Watch; Indo-American Center; Institute Justice Team, Sisters of Mercy of the Americas; Japanese American Citizens League; Jewish Labor Committee; Jewish Reconstructionist Federation; Lawyers' Committee for Civil Rights Under Law; The Leadership Conference on Civil and Human Rights; League of United Latin American Citizens; Lutheran Immigration and Refugee Service; Muslim Advocates; Muslim Legal Fund of America; Muslim Public Affairs Council; NAACP; NAACP Legal Defense and Educational Fund, Inc.; National Advocacy Center of the Sisters of the Good Shepherd.

National African American Drug Policy Coalition, Inc.; National Alliance for Medication Assisted Recovery; National Alliance of Faith and Justice; National Asian American

Pacific Islander Mental Health Association; National Asian Pacific American Bar Association; National Asian Pacific American Women's Forum; National Association of Criminal Defense Lawyers; National Association of Social Workers; National Black Justice Coalition; National Black Law Students Association; National Black Police Association; National Congress of American Indians; National Council of La Raza; National Education Association; National Gay and Lesbian Task Force Action Fund; National Korean American Service and Education Consortium; National Latina Institute for Reproductive Health; National Lawyers Guild Drug Policy Committee; National Legal Aid and Defender Association; National Organization of Black Women in Law Enforcement; National Organization of Sisters of Color Ending Sexual Assault; National Urban League Policy Institute.

NETWORK, A National Catholic Social Justice Lobby; 9to5, National Association of Working Women; North American South Asian Bar Association; Open Society Policy Center; Organization of Chinese Americans; Pax Christi USA; National Catholic Peace Movement; Prison Policy Initiative; Rights Working Group; Sentencing Project; Sikh American Legal Defense and Education Fund; Sikh Coalition; SOJOURNERS; South Asian Americans Leading Together; South Asian Network; South Asian Resource Action Center; StoptheDrugWar.org; The Real Cost of Prisons Project; Treatment Communities of America; U.S. Human Rights Network; Union for Reform Judaism; United Methodist Church, General Board of Church and Society; UNITED SIKHS; Women's Alliance for Theology, Ethics and Ritual.

STATE AND LOCAL ORGANIZATIONS

A New PATH (Parents for Addiction Treatment & Healing) (California); Adhikaar (New York); Advocare, Inc. (Ohio); Arab American Action Network (Illinois); Arab-American Family Support Center (New York); CASA de Maryland (Maryland); Casa Esperanza (New Jersey); CAUSA—Oregon's Immigrant Rights Organization (Oregon); Center for NuLeadership on Urban Solutions (New York); Counselors Helping (South) Asians/Indians, Inc. (Maryland); Desis Rising Up and Moving (New York); Drug Policy Forum of Hawaii (Hawaii); Drug Policy Forum of Texas (Texas); Florida Immigrant Coalition (Florida); Healing Communities Prison Ministry and Reentry Project (Pennsylvania); Korean American Resource and Cultural Center (Illinois); Korean Resource Center (California); Legal Services for Prisoners with Children (California); Legal Voice (Washington).

Maryland CURE—Citizens United for the Rehabilitation of Errants (Maryland); National Alliance for Medication Assisted Recovery, Delaware Chapter (Delaware); 9to5 Atlanta Working Women (Georgia); 9to5 Bay Area (California); 9to5 Colorado (Colorado); 9to5 Los Angeles (California); 9to5 Milwaukee (Wisconsin); Perspectives, Inc. (Minnesota); Pineros y Campesinos Unidos del Noroeste; Northwest Treeplanters and Farmworkers United (Oregon); Public Justice Center (Maryland); Rights for All People (Colorado); Safe Streets Arts Foundation (Washington, DC); Sahara of South Florida, Inc. (Florida); Satrang (California); Sneha, Inc. (Connecticut); South Asian Bar Association of Northern California (California); St. Leonard's Ministries (Illinois).

Mr. CARDIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. SANDERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANDERS. Mr. President, the issue we are debating right now is an issue of enormous consequence for the American people, for our economy, for rural America, and for the hundreds of thousands of workers in the U.S. Postal Service. I thank Senators LIEBERMAN, CARPER, COLLINS, and BROWN for the important work they have done in moving this legislation forward.

Let me begin by saying the debate we are having is not whether the Postal Service in the digital age should change. Everybody agrees the Postal Service should change. The question is what kind of change do we want, what kind of change is good for the American economy, and what kind of change is good for our country.

Last year—I think about 9 or 10 months ago—the Postmaster General gave us his view of change. There was concern about some of the financial problems facing the Post Office. He came up with a proposal that would do the following: What he said is we should close more than 3,600 mostly rural post offices. In my State, I think the number of rural post offices is about 15. All over this country post offices, in so many ways, serve a function beyond delivering mail or selling stamps. In many ways, post offices become the center of a small town. The Postmaster General's proposal was to shut down more than 3,600 mostly rural post offices.

Furthermore, he wanted to shut down about half of the mail processing facilities in America—somewhere around 250 of them—and when we do that, by definition we slow overnight delivery standards for first class mail. So at a moment when the Postal Service is being challenged by e-mail in the digital age—instantaneous communication—he was proposing to slow down mail delivery.

He also proposed to end Saturday mail service and reduce the postal workforce in the midst of a horrendous recession by some 220,000 workers, going from 550,000 down to about 330,000.

I find it a bit ironic that a couple of months ago we had a great debate here—and I think bipartisan support—to make sure veterans get the jobs they need. Many of the people who work in the Postal Service are, in fact, veterans. They are doing a good job. When we downsize the Postal Service, as the Postmaster General proposed, by 220,000 workers, we are downsizing many of our veterans.

Many of my colleagues in the Senate and the House and I are strongly opposed to what the Postmaster General brought forth and we have been working with him and his staff to improve this plan. Frankly, I think we are mak-

ing some progress. Obviously, the key danger of what the Postmaster General has proposed is that if we slow down mail delivery standards, what ends up happening is that individuals and businesses will be rethinking whether they want to use the Postal Service and whether they want to go elsewhere. So what we could very well begin is what we call a death spiral: slow down mail delivery service, businesses stop using the Postal Service, less revenue comes in, more cuts are made, more delays, more slowdowns. We think that is a bad idea.

Again, I believe, and I think everybody in this Senate believes, we need a new business model for the Postal Service in the digital age. Some of us believe we can bring forth a new business model which does not necessitate hundreds of thousands of job losses and cuts, cuts, and cuts.

Among other things, I wish to point out that a recently disclosed study by Opinion Research Corporation, commissioned by the Postal Service itself, found the Postal Service would lose nearly \$2 billion by eliminating overnight delivery standards. Let me repeat: A study commissioned by the Postal Service found that ending overnight delivery standards and shutting down half of the mail processing plants in America would cost the Postal Service nearly \$2 billion. The answer is a lot to do with what I said: If we slow down service, fewer and fewer people are going to be using the Postal Service.

For the last several months I have been working with several dozen of my colleagues in the Senate to oppose those cuts. I thank Senator LIEBERMAN and Senator CARPER for their support, as well as Senator COLLINS and Senator BROWN. We have been working with them, and what we basically did is come up with a good bill that is much better than the Postmaster General had originally proposed, and we think we can do better. In fact, we have been working, and I think it is fair to say we have made some significant improvements which have been incorporated in the substitute amendment that is before us. Let me begin by touching on some of the improvements that I think we have brought about.

The managers' amendment brings more protection for rural post offices. I come from a rural State. I know how important rural post offices are, and the managers' amendment provides more protection for these rural post offices.

No. 1: The substitute amendment would prevent the Postal Service from closing any post offices until it has established a set of service standards that would guarantee all postal customers regular and effective access to retail postal services nationwide on a reasonable basis. The Postal Service is required to establish the standards within 6 months. The service standards would be required to take into account certain factors. In other words, what

we are talking about here is that before a rural post office can be shut down, certain standards are going to have to be addressed. They are:

A, a consideration of the reasonable maximum time a postal customer should expect to travel to access a postal retail location. In other words, if we shut down a post office and somebody has to go 20 miles and spend money on gasoline, and an enormous amount of time, it doesn't make sense to shut down that rural post office;

B, furthermore, we want to look at the age and disability status of individuals in the area. If there are elderly people, if there are a large number of disabled people and we shut down that postal service, those folks are going to be, for all intents and purposes, isolated. Don't shut down that postal service;

C, there would be a requirement that the Postal Service serve remote areas and communities which have transportation challenges. If I live in a community and I don't have a car, how do I get to a post office that is 5 miles away?

D, the effects of inclement weather or other natural conditions that might impede access to postal services. In other words, if people live in a climate where they have a whole lot of snow, how are they going to get to another post office?

I see the majority leader standing. Does the leader wish to address the Senate?

Mr. REID. I have some procedural matters to do, if the Senator from Vermont wishes to finish his statement.

Mr. SANDERS. I will be another 5 or 10 minutes. I will yield to the majority leader.

Mr. REID. Mr. President, I ask unanimous consent that when I finish my procedural matters, the Senator from Vermont be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I ask unanimous consent that all postclosure time be yielded back and the motion to proceed to S. 1789 be agreed to.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. I now ask unanimous consent that the only amendments in order to S. 1789 or the Lieberman-Collins substitute amendment No. 2000 be those that are relevant to the bill or the substitute amendment.

The PRESIDING OFFICER. Is there objection?

The Senator from Kentucky.

Mr. PAUL. Mr. President, reserving the right to object, Egypt currently gets \$2 billion from our country from the U.S. taxpayer. My question is, should we be sending \$2 billion a year to Egypt when they seek to continue to prosecute American citizens.

Recently, President Obama's administration freed up that money and said Egypt is pursuing democratic aims, so

we freed up the \$2 billion. How did Egypt respond to this? Egypt basically thumbed their nose at us. Egypt said we are now issuing international warrants to get American citizens, extradite them, take them back to Egypt for a political show trial. So we give money to a country that insults us.

I think this should end. I think this deserves 15 minutes of Senate time to discuss whether America has money to be sending to Egypt when we have 12 million people unemployed in this country, and whether we have needs here at home that need to be met before we send \$2 billion to Egypt which turns around and insults us by prosecuting American citizens.

I respectfully object and seek a vote on this amendment that would end their aid if they do not end the prosecution of American citizens.

The PRESIDING OFFICER. Objection is heard.

The majority leader.

Mr. REID. Mr. President, as we speak, there are 8 million Americans who are dependent on the Post Office. These are people who have jobs as a result of the Postal Service. We need to do a postal reform bill. Doing nothing is not an option.

I ask unanimous consent that we set up a procedure to allow the Senate to consider amendments relevant to the postal reform bill.

The PRESIDING OFFICER. Is there objection?

Mr. PAUL. Reserving the right to object, the Post Office is losing \$4 billion a year, and I sympathize. But at the same time we are losing \$4 billion, we are sending \$2 billion to Egypt. We have problems in our country and we don't have the money to send to Egypt, so I would say it is relevant. It is relevant whether, when we have limited resources, we send \$2 billion to Egypt, or whether we try to fix the problems we have at home. I would say bring some of that money home and that might help us fix the Post Office.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

Mr. PAUL. I continue my objection.

21ST CENTURY POSTAL SERVICE ACT

Mr. REID. Would the Chair report the bill, please.

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant bill clerk read as follows:

A bill (S. 1789) to improve, sustain, and transform the United States Postal Service.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Homeland Security and Governmental Affairs, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "21st Century Postal Service Act of 2012".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Definitions.

TITLE I—POSTAL WORKFORCE MATTERS

Sec. 101. Treatment of postal funding surplus for Federal Employees Retirement System.

Sec. 102. Additional service credit.

Sec. 103. Restructuring of payments for retiree health benefits.

Sec. 104. Postal Service Health Benefits Program.

Sec. 105. Arbitration; labor disputes.

TITLE II—POSTAL SERVICES AND OPERATIONS

Sec. 201. Postal facilities.

Sec. 202. Additional Postal Service planning.

Sec. 203. Area and district office structure.

Sec. 204. Post offices; retail service standards.

Sec. 205. Conversion of door delivery points.

Sec. 206. Limitations on changes to mail delivery schedule.

Sec. 207. Time limits for consideration of service changes.

Sec. 208. Public procedures for significant changes to mailing specifications.

Sec. 209. Nonpostal products and services.

TITLE III—FEDERAL EMPLOYEES' COMPENSATION ACT

Sec. 301. Short title; references.

Sec. 302. Federal workers compensation reforms for retirement-age employees.

Sec. 303. Augmented compensation for dependents.

Sec. 304. Schedule compensation payments.

Sec. 305. Vocational rehabilitation.

Sec. 306. Reporting requirements.

Sec. 307. Disability management review; independent medical examinations.

Sec. 308. Waiting period.

Sec. 309. Election of benefits.

Sec. 310. Sanction for noncooperation with field nurses.

Sec. 311. Subrogation of continuation of pay.

Sec. 312. Integrity and compliance.

Sec. 313. Amount of compensation.

Sec. 314. Technical and conforming amendments.

Sec. 315. Regulations.

TITLE IV—OTHER MATTERS

Sec. 401. Profitability plan.

Sec. 402. Postal rates.

Sec. 403. Cooperation with State and local governments; intra-Service agreements.

Sec. 404. Shipping of wine and beer.

Sec. 405. Annual report on United States mailing industry.

Sec. 406. Use of negotiated service agreements.

Sec. 407. Contract disputes.

Sec. 408. Contracting provisions.

SEC. 3. DEFINITIONS.

In this Act, the following definitions shall apply:

(1) COMMISSION.—The term "Commission" means the Postal Regulatory Commission.

(2) POSTAL SERVICE.—The term "Postal Service" means the United States Postal Service.

TITLE I—POSTAL WORKFORCE MATTERS

SEC. 101. TREATMENT OF POSTAL FUNDING SURPLUS FOR FEDERAL EMPLOYEES RETIREMENT SYSTEM.

Section 8423(b) of title 5, United States Code, is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following:

"(5)(A) In this paragraph, the term 'postal funding surplus' means the amount by which the amount computed under paragraph (1)(B) is less than zero.

"(B)(i) Beginning with fiscal year 2011, for each fiscal year in which the amount computed

under paragraph (1)(B) is less than zero, upon request of the Postmaster General, the Director shall transfer to the United States Postal Service from the Fund an amount equal to the postal funding surplus for that fiscal year for use in accordance with this paragraph.

"(ii) The Office shall calculate the amount under paragraph (1)(B) for a fiscal year by not later than June 15 after the close of the fiscal year, and shall transfer any postal funding surplus to the United States Postal Service within 10 days after a request by the Postmaster General.

"(C) For each of fiscal years 2011, 2012, and 2013, if the amount computed under paragraph (1)(B) is less than zero, a portion of the postal funding surplus for the fiscal year shall be used by the United States Postal Service for the cost of providing to employees of the United States Postal Service who voluntarily separate from service before October 1, 2014—

"(i) voluntary separation incentive payments (including payments to employees who retire under section 8336(d)(2) or 8414(b)(1)(B) before October 1, 2014) that may not exceed the maximum amount provided under section 3523(b)(3)(B) for any employee; and

"(ii) retirement service credits, as authorized under section 8332(p) or 8411(m).

"(D) Any postal funding surplus for a fiscal year not expended under subparagraph (C) may be used by the United States Postal Service for the purposes of—

"(i) repaying any obligation issued under section 2005 of title 39; or

"(ii) making required payments to—

"(I) the Employees' Compensation Fund established under section 8147;

"(II) the Postal Service Retiree Health Benefits Fund established under section 8909a;

"(III) the Employees Health Benefits Fund established under section 8909; or

"(IV) the Civil Service Retirement and Disability Fund."

SEC. 102. ADDITIONAL SERVICE CREDIT.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8332 of title 5, United States Code, is amended by adding at the end the following:

"(p)(1)(A) For an employee of the United States Postal Service who is covered under this subchapter and voluntarily separates from service before October 1, 2014, at the direction of the United States Postal Service, the Office shall add not more than 1 year (as specified by the United States Postal Service) to the total creditable service of the employee for purposes of determining entitlement to and computing the amount of an annuity under this subchapter (except for a disability annuity under section 8337).

"(B) An employee who receives additional creditable service under this paragraph may not receive a voluntary separation incentive payment from the United States Postal Service.

"(2)(A) Subject to subparagraph (B), and notwithstanding any other provision of law, no deduction, deposit, or contribution shall be required for service credited under this subsection.

"(B) The actuarial present value of the additional liability of the United States Postal Service to the Fund resulting from this subsection shall be included in the amount calculated under section 8348(h)(1)(A)."

(b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—Section 8411 of title 5, United States Code, is amended by adding at the end the following:

"(m)(1)(A) For an employee of the United States Postal Service who is covered under this chapter and voluntarily separates from service before October 1, 2014, at the direction of the United States Postal Service, the Office shall add not more than 2 years (as specified by the United States Postal Service) to the total creditable service of the employee for purposes of determining entitlement to and computing the amount of an annuity under this chapter (except for a disability annuity under subchapter V of that chapter).