

without getting much mail at all when he was a POW. Those of us who were more fortunate, while deployed it was exciting to get mail—postcards, letters, cards, packages, magazines, newspapers. It was some connection from home.

Senator KLOBUCHAR has been over to Afghanistan, as have Senator MCCAIN and I. Our soldiers, sailors, airmen, and marines Skype. They communicate through different social media such as Facebook, Twitter, Internet, and cell phones. We never had that stuff, even 30, 35 years ago, in Southeast Asia or around the world. But people don't use the mail too much, especially first-class mail.

The situation the Postal Service is in today—and they lost last year—is they are on track to lose about \$10 billion. They can only borrow \$15 billion on a line of credit with the Federal Government. That is it. They are looking to lose more money. If we don't let them do something, they are going to lose more next year. At the end of this year—they can default by the end of the month if we do nothing. If they don't do something, by the end of next September, they could be out of business. That is not good for them, for us, or for the 7 or 8 million jobs that depend on the Postal Service.

The situation with the Postal Service is similar to that of the auto industry a couple of years ago, but it is different too. The U.S. auto industry—not Ford but Chrysler and GM—was looking for, if you will, a taxpayer bailout. They got that and have repaid most of that to the Treasury.

The Postal Service is not asking for a bailout. They want to be allowed to be treated like a real business, run like a real business. They say, like the auto industry, we have too many people—more than they need. They need to continue to reduce the headcount through attrition and to incentivize the 120,000-or-so people who are eligible to retire, to retire by giving them early payments—maybe \$10,000 or \$20,000—and allowing them to maybe get credit for a couple extra years, but get the people who are eligible to retire and encourage them to do so, incentivize them to retire—not to be fired or laid off but to retire. So there are too many people.

Two, there are too many post offices. There are 33,000 post offices around the country. The post office doesn't want to close them all. They are saying: Let's look at 3,000 of them, and let's have a conversation with the communities there. Do all of these 3,000 post offices in those communities need to stay open? Are there some that could locate services elsewhere? Say, if you go to a convenience store that is open 24/7 or a pharmacy that is open maybe 7 days a week or if you go into a supermarket that is open 7 days a week, you can get your postal services there. They could locate those post offices there, and all those services in one place adds more convenience to con-

sumers. That is what the Postal Service wants to do.

The last thing the Postal Service has too much of is mail processing centers. They have over 500 of them around the country, which is probably twice the number they need. They need to be able to reduce those.

The Postal Service needs to be treated fairly, and they have been paying into the Civil Service Retirement System for many years for some of the older employees and more recently the Federal Employees Retirement System for the newer employees. Two separate audits done by the Segal Company and by a consulting company called the Hay Group have concluded that the Postal Service has overpaid its obligation into the Civil Service Retirement System by \$50 billion or more. They have estimated they have overpaid their obligation to the Federal Employees Retirement System by about \$7 billion more. The Postal Service has asked to be reimbursed for those overpayments. They would like to use those overpayments, on the one hand, to help meet their obligation to pay the heavy health care cost for folks who are retiring from the Postal Service or about to retire. They want to prefund that. It is an obligation they have under the 2006 law, and they would like to use some of the \$7 billion overpayment into the Federal Employees Retirement System to actually incent people who are eligible to retire from the Postal Service to go ahead and retire.

Eighty percent of the cost of the Postal Service is people—80 percent. The Postal Service has reduced its head count from about 800,000 people to, say, 600,000 people over the last 7 or 8 years. They need to be able to continue to reduce that in the years to come—roughly 100,000 over the next 2 or 3 years through attrition and maybe another 120,000 by incentivizing people to retire.

The Senator from Minnesota is still standing here waiting for me to stop, and I have a lot more I wish to say, but I am going to stop and come back maybe later today to finish my comments, but let me conclude with this.

We need to act so the Postal Service can save itself. We don't need to bail them out. We need to let them act as a real company. The situation is dire, but it is not hopeless. They need to be able to address, as the auto industry did, too many people. They need to be able to close and consolidate some post offices and colocate those services in places that make more sense and are more convenient to consumers, they need to be able to close some of their mail processing centers, and they need to be treated fairly with respect to their overpayments into both the Civil Service Retirement System and the Federal Employees Retirement System. We can do this, and we don't need to do it next year; we need to do it this year.

I yield the floor to our friend from Minnesota.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

AMERICA INVENTS ACT

Ms. KLOBUCHAR. I thank very much the Senator from Delaware, and I appreciate the ability to go ahead. I know the Senator from Arizona is waiting as well.

I rise to speak in support of the America Invents Act, a bill to revamp our patent system. As a member of the Judiciary Committee, I worked on this bill. I was one of the cosponsors, and I also helped manage the bill the last time it was on the floor. I am here to make sure we get it over the finish line.

It is without dispute that intellectual property is one of our Nation's most valuable assets, and our patent system plays a vital role in maintaining the value of our intellectual property. In fact, the Commerce Department estimates that up to 75 percent of economic growth in our Nation since World War II is due to technological innovation—innovation that was made possible, in part, by our patent system.

I see firsthand the importance of success of a robust patent system whenever I am visiting Minnesota companies and talking with business leaders in our State, as I did many times over the past month. Minnesotans have brought the world everything from the pacemaker to the Post-It-Note. These innovations would not have been possible without the protection of the patent system. This strong commitment to innovation and development is why our State ranks sixth in the Nation in patents per capita, and we are No. 1 per capita for Fortune 500 companies.

Companies such as 3M, Ecolab, and Medtronic need an efficient patent system. But it is also medium-sized companies, such as Imation in Oakdale and Polaris in Medina, that rely on patents to grow their companies and create jobs in America. In fact, from 1980 to 2001, all the net job growth in our country came from companies that were less than 5 years old. It is the person in the garage building a mousetrap or, in the case of Medtronic, the first battery-powered pacemaker who drives our economy forward and creates the products Americans can make and sell to the world.

I truly believe, to get out of this economic rut, we need to be a country that makes stuff again, that invents, that exports to the world. That is why it is so critical we pass the America Invents Act.

Unfortunately, our patent laws haven't had a major update since 1952. The system is outdated, and it is quickly becoming a burden on our innovators and entrepreneurs. Because of these outdated laws, the Patent and Trademark Office faces a backlog of over 700,000 patent applications. Many would argue that all too often the office issues low-quality patents. One of these 700,000 patents may be the next

implantable pacemaker or a new and improved hearing aid.

Our current patent system also seems stacked against small entrepreneurs. I have spoken to small business owners and entrepreneurs across Minnesota who are concerned with the high cost and uncertainty of protecting their inventions. For example, under the current system, when two patents are filed around the same time for the same invention, the applicants must go through an arduous and expensive process called an interference, to determine which applicant will be awarded the patent. Small inventors rarely, if ever, win interference proceedings because the rules for interferences are often stacked in favor of companies with deep pockets. This needs to change.

Our current patent system also ignores the realities of the information age we live in. In 1952, the world wasn't as interconnected as it is today. There was no Internet and people didn't share information, as they do in this modern age. In 1952, most publicly available information about technology could be found either in patents or scientific publications. So patent examiners only had to look to a few sources to determine if the technology described in the patent application was both novel and nonobvious. Today, there is a vast amount of information readily available everywhere we look. It is unrealistic to believe a patent examiner would know all the places to look for this information. Even if the examiner knew where to look, it is unlikely he or she would have the time to search in all these nooks and crannies. The people who know where to look are the other scientists and innovators who also work in the field. But current law does not allow participation by third parties in the patent application process, despite the fact that third parties are often in the best position to challenge a patent application. Without the benefit of this outside expertise, an examiner might grant a patent for technology that simply isn't a true invention, and those low-quality patents clog the system and hinder true innovation.

Our Nation can't afford to slow innovation any more. While China is investing billions of dollars in its medical technology sector, we are still bickering about the regulations. While India encourages invention and entrepreneurship, we are still giving our innovators the runaround—playing red light, green light, with stop-and-go tax incentives. The truth is, America can no longer afford to be a country that simply exists on churning money and shuffling paper, a country that consumes imports and spends its way to huge trade deficits. What we need to be is that Nation that invents again, that thinks again, and that exports to the world, a country where we can walk into any store and pick up a product and turn it over and it says "Made in the USA." That is what our country

needs to be. It is what Tom Friedman, who writes for the New York Times and is a Minnesota native, calls nation building in our own nation.

As innovators and entrepreneurs across Minnesota have told me, we need to rejuvenate our laws to ensure that our patent system supports the needs of a 21st century economy. The America Invents Act does just that.

First, the America Invents Act increases the speed and certainty of a patent application process by transitioning our patent system from a first-to-invent system to a first-inventor-to-file system. This change to a first-inventor-to-file system will increase predictability by creating brighter lines to guide patent applicants and Patent Office examiners.

By simply using the filing date of an application to determine the true inventors, the bill increases the speed of the patent application process while also rewarding novel, cutting-edge inventions. To help guide investors and inventors, this bill allows them to search the public record to discover with more certainty whether their idea is patentable, helping eliminate duplication and streamlining the system. At the same time, the bill still provides a safe harbor of 1 year for inventors to go out and market their inventions before having to file for their patent.

This grace period is one of the reasons our Nation's top research universities, such as the University of Minnesota, support the bill. The grace period protects professors who discuss their inventions with colleagues or publish them in journals before filing their patent application. The grace period, along with prior user rights, will encourage cross-pollination of ideas and eliminate concerns about discussing inventions with others before a patent application is filed.

This legislation also helps to ensure that only true inventions receive protection under our laws. By allowing third parties to provide information to the patent examiner, the America Invents Act helps bridge the information gap between the patent application and existing knowledge.

The legislation also provides a modernized, streamlined mechanism for third parties who want to challenge recently issued, low-quality patents that should never have been issued in the first place. Eliminating these potential trivial patents will help the entire patent system by improving certainty.

The legislation will also improve the patent system by granting the U.S. Patent and Trademark Office the authority to set and adjust its own fees. Allowing the office to set their own fees will give them the resources to reduce the current backlog and devote greater resources to each patent that is reviewed to ensure higher quality. The fee-setting authority is why IBM—one of the most innovative companies around, that has facilities in Rochester, MN, and in the Twin Cities—was granted a record 5,896 patents in 2010

and why they support this bill. They want to bring even more inventions and more jobs to America.

As chair of the Subcommittee on Competitiveness, Innovation, and Export Promotion, I have been focused on ways to promote innovation and growth in the 21st century. Stakeholders from across the spectrum agree this bill is a necessary step to ensure the United States remains the world leader in developing innovative products that bring prosperity and happiness to our citizens. Globalization and technology have changed our economy. This legislation will ensure that our patent system rewards the innovation of the 21st century.

I know this is not the exact bill we passed in the Senate earlier this year, but the major components of that earlier bill are in the one on the floor today. Those components are vital to bringing our patent system into the 21st century and unleashing American ingenuity as never before. Sometimes it is obvious how one can get a job, but sometimes it is harder to see, such as when one has to get an invention developed and get it approved and get the patent on it and get it to market. That is the hard work that goes on in this bill.

I urge my colleagues to support this bill, and I yield the floor to my colleague and friend from Arizona, Senator MCCAIN.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. MCCAIN. Madam President, I ask unanimous consent to address the Senate as in morning business, and I additionally ask unanimous consent that I be joined in a colloquy with Senator GRAHAM from South Carolina and Senator LIEBERMAN from Connecticut.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

IRAQ

Mr. MCCAIN. Madam President, yesterday, we learned from media reports the Obama administration has made a decision to sharply reduce the number of U.S. forces it is proposing for a post-2011 security agreement with Iraq to roughly 3,000 troops. That media report has not been contradicted yet by anyone in the administration, so one has to assume that is the direction which the administration is headed.

As is well known, 3,000 troops is dramatically lower than what our military commanders have repeatedly told us, on multiple trips to Iraq, would be needed to support Iraq's stability and secure the mutual interests our two nations have sacrificed so much to achieve. Our military leaders on the ground in Iraq have told us, in order to achieve our goal—which is a stable, self-governing Iraq, and as a partner in fighting terrorism and extremism—they need a post-2011 force presence that is significantly higher than 3,000 troops.