

as may be necessary and appropriate for the Commission to perform the duties under paragraph (3).

(B) **DETAIL OF FEDERAL GOVERNMENT EMPLOYEES.**—

(i) **IN GENERAL.**—An employee of the Federal Government may be detailed to the Commission without reimbursement.

(ii) **CIVIL SERVICE STATUS.**—The detail of the employee shall be without interruption or loss of civil service status or privilege.

(5) **FUNDING.**—The Secretary and the Administrator shall provide to the Commission such funds as the Secretary and the Administrator determine to be appropriate from amounts made available to the Secretary and the Administrator in appropriations Acts.

(6) **TERMINATION.**—The Commission shall terminate on the earlier of—

(A) the date that is 180 days after the date on which the final report is submitted under paragraph (3)(D); and

(B) the date that is 3 years after the date of enactment of this Act.

(7) **APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.**—

(A) **IN GENERAL.**—The Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the Commission.

(B) **PUBLIC MEETINGS AND RELEASE OF PUBLIC VERSIONS OF REPORTS.**—The Commission shall—

(i) hold public hearings and meetings to the extent appropriate; and

(ii) release public versions of the reports required under subparagraphs (C) and (D) of paragraph (3).

(C) **PUBLIC HEARINGS.**—Any public hearings of the Commission shall be conducted in a manner consistent with the protection of information provided to or developed for or by the Commission as required by any applicable law, regulation, or Executive order.

(c) **REVISED DEFINITION.**—A revision to or guidance on a regulatory definition described in section 4(a) shall have no force or effect until after the Secretary and the Administrator carry out each action described in this section.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. BARRASSO. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on November 3, 2015, at 9:30 A.M.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. BARRASSO. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on November 3, 2015, at 2:45 p.m.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. BARRASSO. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on November 3, 2015, at 9:30 a.m., to conduct a hearing entitled “Nominations.”

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. BARRASSO. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on November 3, 2015, at 2:45 p.m.

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

SUBCOMMITTEE ON EUROPE AND REGIONAL SECURITY COOPERATION

Mr. BARRASSO. Mr. President, I ask unanimous consent that the Committee on Foreign Relations Subcommittee on Europe and Regional Security Cooperation be authorized to meet during the session of the Senate on November 3, 2015, at 2:30 p.m., to conduct a hearing entitled “Putin’s Invasion of Ukraine and the Propaganda that Threatens Europe.”

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

SUBCOMMITTEE ON PRIVACY, TECHNOLOGY, AND THE LAW

Mr. BARRASSO. Mr. President, I ask unanimous consent that the Committee on the Judiciary, Subcommittee on Privacy, Technology, and the Law be authorized to meet during the session of the Senate on November 3, 2015, at 2:30 p.m., in room SD-226 of the Dirksen Senate Office Building, to conduct a hearing entitled “Data Brokers—Is Consumers’ Information Secure?”

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

PRIVILEGES OF THE FLOOR

Mr. INHOFE. Mr. President, I ask unanimous consent that Chuck Podolack, a legislative fellow in Senator FLAKE’s office, be granted floor privileges for the remainder of this year.

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

Ms. HEITKAMP. Mr. President, I ask unanimous consent that Amy Crane, an intern in my office, be granted floor privileges for the duration of today’s session of the Senate.

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

The PRESIDING OFFICER. The majority leader.

SMALL BUSINESS SATURDAY

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 304, submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The senior assistant legislative clerk read as follows:

A resolution (S. Res. 304) recognizing November 28, 2015, as “Small Business Saturday” and supporting efforts to increase awareness of the value of locally owned small businesses.

There being no objection, the Senate proceeded to consider the resolution.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the reso-

lution be agreed to, the preamble be agreed to, and the motions to reconsider be laid upon the table with no intervening action or debate.

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

The resolution (S. Res. 304) was agreed to.

The preamble was agreed to.

(The resolution, with its preamble, is printed in today’s RECORD under “Submitted Resolutions.”)

MEASURE READ THE FIRST TIME—S. 2232

Mr. McCONNELL. Mr. President, I understand there is a bill at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill by title for the first time.

The senior assistant legislative clerk read as follows:

A bill (S. 2232) to require a full audit of the Board of Governors of the Federal Reserve System and the Federal reserve banks by the Comptroller General of the United States, and for other purposes.

Mr. McCONNELL. I now ask for a second reading and, in order to place the bill on the calendar under the provisions of rule XIV, I object to my own request.

The PRESIDING OFFICER. Objection having been heard, the bill will be read for the second time on the next legislative day.

ORDERS FOR WEDNESDAY, NOVEMBER 4, 2015

Mr. McCONNELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 10 a.m., Wednesday, November 4; that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, and the time for the two leaders be reserved for their use later in the day; further, that following leader remarks, the Senate then resume consideration of S.J. Res. 22, with the time until 12 noon equally divided in the usual form; finally, that at 12 noon, the Senate vote on passage of S.J. Res. 22.

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

ORDER FOR ADJOURNMENT

Mr. McCONNELL. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it stand adjourned under the previous order, following the remarks of Senator PORTMAN.

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

The Senator from Ohio.

TAX CODE REFORM

Mr. PORTMAN. Mr. President, I rise this evening to talk about an issue

that is critical to keeping jobs here in America and keeping investment in this country and not driving it overseas.

We had another reminder just last week of just how broken our Tax Code is when a huge company, Pfizer, a pharmaceutical company, decided it could no longer compete as a U.S. corporation. Instead it is seeking a merger with an Irish-based drugmaker called Allergan. They want to move their corporate headquarters to Ireland. It is another in a long line of companies that have made this decision because our Tax Code is broken.

Unfortunately, these kinds of transactions are called inversions, where a U.S. company buys a smaller company overseas and merges with them to become a foreign company. That is just the tip of the iceberg. It is actually bigger than these inversions. It also has to do with foreign companies buying U.S. companies because they can do so because they have a higher aftertax profit and pay a premium. These kinds of transactions are causing our jobs and investments to go overseas.

Yesterday we had another indication of that. It was announced that the Irish drug company Shire is going to buy the Massachusetts-based biotech company Dyax for \$6.5 billion. By the way, this isn't the first acquisition Shire has made this year. In January they acquired a New Jersey-based company NPS Pharmaceuticals, and in August they bought a privately held company called Foresight Biotherapeutics.

A foreign company coming in and buying U.S. companies and moving the headquarters overseas is an example of why what the Obama administration is doing to counter this is not working, because their solution to this is not to reform the Tax Code but rather to change the way the tax laws are interpreted and put out regulations they called a tax notice that tries to block these so-called inversions. This very company we are talking about, Shire, was the subject of an inversion. It is true that AbbVie, a company in Illinois, was going to merge with them and do one of these inversions. They chose not to because of the administration's new tax notice—these new regulations. What happened instead, Shire said: Fine, we will not merge with this U.S. company through an inversion. We will just buy U.S. companies—and they bought three this year. So this is only going to be solved if we actually reform the Tax Code.

Interestingly, we have also seen this with another pharmaceutical company. It is called Salex. Salex wanted to do a merger—one of these inversions—and they were blocked from doing it by the regulations, so then they decided to become a target for a foreign takeover. Sure enough, a Canadian company, Valeant, which had already moved from the United States to Canada in a merger, in an inversion, came to the United States and bought, in this case, Salex, which is a North Carolina com-

pany. This is happening just about every week we are hearing about another company that is leaving our shores because of our Tax Code. To the administration's credit they haven't just put out these regulations saying let's slow down on inversions, they have just said we do need to reform the Tax Code. That is the truth.

This town is not doing its work. We are not doing what the people have elected us to do, which is to fix problems like this. We are letting this fester. Again, every week we have another example of this. It is no secret why this is happening. At a combined 39-percent tax rate, the United States now has the highest business tax rate of any of the industrialized countries. It is a No. 1 that you don't want to be.

Second, we don't let companies that are American companies bring their profits back here without paying that prohibitively high tax, so they have locked up their profits overseas. You probably heard this, but they say there is about \$2.5 trillion in earnings that are locked up overseas that could come back to create jobs right here, expanding plants and equipment and adding more employees. Instead, because of our Tax Code, it is not coming back—\$2.5 trillion.

Importantly, the burden of this falls on American workers—think about it—No. 1, because these companies in America are not as competitive as they should be because of our Tax Code. According to the studies, wages are lower, benefits are lower, U.S. workers are caught. This is one reason among others that we have wage stagnation in this country, because our Tax Code is so out of date. Just by fixing the Tax Code we could give the economy a shot in the arm and help lift up those wages. Instead, so many workers in my home State of Ohio and around this country are working hard, playing by the rules, and doing everything right. Yet their wages are flat—even, on average, declining.

This is a new phenomenon for us in this country, but in the last 6 years wages have gone down, on average, not just stayed flat. By the way, expenses are up: health care, thanks to ObamaCare, tuition costs, energy costs, electricity bills, food costs. It is called the middle-class squeeze—flat wages, higher expenses. One way to fix that is to put forward pro-growth policies that can actually make a difference in getting this economy moving. Specifically, we have an example where if we had a better Tax Code based on the economic analysis, it would result not just in more jobs but better jobs. It is a way we can help, not just to bring back the jobs but to bring back better jobs.

Almost all of our competitors—think of the UK, Japan—have lowered their rates, and they have also gone to a competitive international tax code where their companies can bring their earnings back to invest in their country. So they are beating us. America is falling behind because of this problem.

American companies are much more valuable as foreign headquarters than they are in the hands of U.S. owners. It is the primary reason, by the way, that last year the number of acquisitions of U.S. companies by foreign companies doubled.

Let me say that again. Last year there were twice as many foreign takeovers as there was the year before—twice as many. Something is happening here. By the way, this year the \$275 billion worth of takeovers we saw last year is likely to go to over \$400 billion, we are told. So it is not quite a doubling this year but pretty darn close. Again, there is something happening.

My concern is, if we don't do something about this, we are going to look back 4 or 5 years from now and say what happened, all these great U.S. companies have gone overseas. It is not just pharmaceutical companies, it is across the board. It is all kinds of industries. Try to buy an American beer. The largest U.S. beer companies are now Sam Adams, with about 1.4 percent market share, and Yuengling, with about the same market share. All the rest are foreign-owned—all of them—because of our Tax Code. Anheuser-Busch went overseas. Miller is overseas. Coors is overseas. You go right down the line of American businesses that are affected by this, and it is thousands and thousands of jobs.

We did a little investigation of this in the subcommittee that I had, called the Permanent Subcommittee on Investigations. I cochair it with CLAIRE McCASKILL, who is a Democrat from Missouri. We looked into these issues, did some research, and said it was worth having a hearing to bring some of these facts to light. We did this a couple of months ago. This is what we found out. Having reviewed more than a dozen foreign acquisitions of U.S. companies and mergers where the headquarters end up being overseas, we found out that jobs are being lost, investments are being lost—not a surprise. It is not just the headquarters that move, it is the people, the money.

One prominent case study we looked at was the acquisition of this Valeant pharmaceutical company that I talked about earlier. Valeant is now a company in Quebec. They merged with a company in Canada. When they went up there they decided: You know what. We are now going to start buying U.S. companies because we have such an advantage. We can pay a premium. They have now managed to acquire more than a dozen U.S. companies worth more than \$30 billion.

We reviewed some of the key deal documents to understand how the tax advantages affected these acquisitions, specifically. How did it affect them? We were able to look at the 2013 sale of the New York-based eye care firm, Bausch & Lomb. Anybody who wears contact lenses has probably heard of them. We looked at the 2015 sale of this North Carolina company called Salex that I talked about a moment ago. In

those two acquisitions alone, Valeant determined they could shave more than \$3 billion off the tax bill just by integrating these companies into their Canadian-based operations. Think about that.

What do these deals mean to the American worker? Well, the three recent Valeant acquisitions we studied resulted in the loss of about 2,300 U.S. jobs, plus a loss of about \$16 million per year of contract manufacturing that was moved from the United States to Canada—additional jobs being lost. Again, this is happening as we talk tonight. There are companies considering leaving our shores because our Tax Code is so outdated and so antiquated.

We talked about the beer industry. The subcommittee took testimony from a guy named Jim Cook. Jim Cook is the founder and chairman of the Boston Beer Company. You might know him as the maker of Sam Adams. The market share is about 1.4 percent. Mr. Cook testified that if we fail to reform our Tax Code, his company could be next. He explained that he regularly gets offers from investment bankers to facilitate a sale. He comes back to his office after being away for a week and what does he find in his inbox, a bunch of proposals from investment banking firms saying: Why don't you go overseas? We will show you how to do it. We will save you all kinds of money. Become a foreign corporation. This is happening all over the country.

Mr. Cook, to his credit, is a real patriot. He doesn't want to become a foreign company. He has declined all these offers, but he also informed us that when he is gone he believes that company will be driven by financial pressure to become an overseas company. He owns a majority of the company's voting shares. He is fortunate. Not all CEOs are in that position, of course. They can't afford—because they have a fiduciary responsibility to their shareholders—to be able to withstand this pressure to go overseas.

So in our subcommittee hearing and in some of the dialogue on the floor and elsewhere, we heard a lot of criticism of these companies that have gone overseas. I will say the plain truth, which is, if there is any villain in this story, it is not those companies. I wish they would stay here, but it is not those companies. It is our Tax Code and it is Washington.

Just another example, along with regulatory relief, as we talked about earlier tonight, along with expanding exporting and being sure imports are fairly traded, along with dealing with our education system and our worker retraining system at the Federal level that is not working—all of these things need to be changed. Our energy approach to have a one-size-fits-all policy, that is Washington that can and should do that.

There are so many issues that we are not addressing in terms of the debt and the deficit, economic issues. This is another one and this one is just so obvious.

Mr. Cook is famous today, the founder and chairman of Boston Beer Company Sam Adams, because he was in a Wall Street Journal editorial. I commend that editorial to you. It talks about exactly what I mentioned earlier, which is because the aftertax profit is greater for a foreign company, they can pay a premium. It talks about the fact that as compared to being able to bring a dollar back from overseas as a U.S. company and having 39 percent of it taxed, with a foreign entity—for instance, what could happen with Pfizer—they can go overseas, become an Irish company, and only pay 12 percent. They can bring 88 cents of that dollar back to this country. What an irony. They can invest more in America by being a foreign company. We would like them to be able to be an American company, bring that money back that is overseas, and build investments, jobs, plants, equipment, and people.

The Wall Street Journal editorial was wrong in one regard; that is, they said Jim Cook is a bearded brewer. He doesn't have a beard, but he is a brewer. They also said this is an issue that divides Democrats and Republicans. I would say with respect, as a Republican on this side of the aisle, it is not that simple. There are Democrats who actually think we should be reforming the Tax Code. There are a lot of Republicans who think that too. In the Presidential debate you can see a lot of Republicans talking about it. Hillary Clinton, on the other hand, doesn't seem much interested in it. She wants to punish these companies that go overseas. That is not going to help. That will cause more companies to go overseas. They will vote with their feet, but I don't believe this is a partisan issue.

I actually believe there are people of good will on both sides of the aisle who get this.

Senator SCHUMER and I did a report after a working group that we were asked to chair by our leadership where we came up with the conclusion that we had to fix this system. Senator SCHUMER is a Democrat and I am a Republican. We don't agree on a lot of things. But we agreed on this because after hearing testimony from people, including CEOs of companies that were struggling with this decision, we realized we had to deal with it. We have to deal with it. I believe ultimately that what we have to do is to overhaul our entire Tax Code. We should deal with the individual side of the code, we should lower that rate and broaden the base, in other words, get rid of a lot of the preferences and loopholes.

On the corporate side, we should do the same thing and get the corporate rate so it is competitive. A 25-percent rate rather than a 35-percent rate would make a big difference.

The overhaul is necessary for us to be able to give the economy the real shot in the arm it deserves. But in the short term, we have a President who refuses

to reform the taxes on the individual side without raising significant new revenues—in other words, increasing taxes dramatically, a couple of trillion dollars in his budget. We are not going to do that because that would hurt the economy too much. But even with a President who believes that on the individual side, there does seem to be more consensus on this business issue—what to do with the business tax code—particularly as it relates to the international tax code we talked about. So my feeling is, let's take a first step. Let's do what we can do on a bipartisan basis. Let's build on that consensus that we have reached—that we have to fix this problem now or we are going to see more and more companies and jobs and investment go overseas. Let's come up with something that addresses that specific problem.

In July, in this report that Senator SCHUMER and I released, we suggested three things where we can find a consensus. One, let's move to that international tax system where we can allow people to bring their earnings home. Let's not lock those earnings up overseas. Let's have what you would call a permanent repatriation and allow that money to come back. By the way, that money could be used for all kinds of things, including infrastructure. So it could be tied to the highway bill. But it is important for me that we change the system to allow those funds to come back here and create jobs and opportunity in America. There is \$2.5 trillion locked up overseas.

Second, we said we ought to have incentives to be able to keep intellectual property, which is highly mobile, here in America, because a lot of countries around the world now are setting up what they call patent boxes or innovation boxes, and they are attracting our best and brightest. They are creating now a nexus between the lower rate you get if you move that intellectual property overseas and the researchers. In other words, they will give you a low tax rate, but you have to move the expertise there too.

Again, we are going to look back a few years from now if we don't deal with this and say: What happened? Some of our best researchers, some of our best colleges and universities here are now not doing the work anymore because it is being done overseas, because they are providing the inventive and we are not.

Third, we agree we do need to have some sensible base erosion protections that would discourage companies from shifting their income to low-tax jurisdictions, to tax havens, just for that purpose. By the way, the businesses that we talked to around the country agree with that. They would like to see a lower tax rate also. That is incredibly important. That is the obvious next step. But I do think there is an opportunity for us to act and to act now to be able to help give the economy a shot in the arm, to bring back the trillions of dollars from overseas, and to

help us stop this exodus of jobs and investment in U.S. companies overseas.

I also believe we could act this year on this. We know what to do. There have been plenty of reports and studies. There is actually a tax proposal introduced by Dave Camp, who was the chairman of the Ways and Means Committee prior to PAUL RYAN. PAUL RYAN, who is now Speaker of the House, is very interested in this. He has done a lot of good work on this. The Ways and Means Committee and the Finance Committee have held literally dozens of hearings. We know what to do. It is a question of political will to get it done.

As we do that, we should also be sure to address the annual tax extenders. These are provisions for the Tax Code that are only in place for a short period of time. Right now they have already expired. The idea is that at the end of the year we might once again retroactively extend these tax provisions. Think of the R&D tax credit, for instance, or the research and development tax credit. That is very important.

We think we should make those extenders that are good policy permanent. If we did that and we did this tax reform we talked about earlier, which by the way would be revenue neutral, this is the one area where the President of the United States and other Democrats are willing to say: Let's not try to wring more taxes out of the sys-

tem; let's try to do this on a revenue-neutral basis.

By the way, it is going to be so pro-growth that it will result in more revenue coming in, not because you raise taxes, but because it is the right thing to do to encourage jobs, investment, and opportunity. But if you did these tax extenders along with it, you would be making the policies permanent, which would provide a huge boost to the economy. The Joint Committee on Taxation found that the short-term extenders that were passed by the Senate Finance Committee last month—this is just a short-term one for a 2-year extension, would create \$10.4 billion in new tax revenue over the next 10 years. Think about that. That is just a short-term extension. Imagine the growth if those were made permanent.

So we do have the opportunity here to do something good for our country, for our companies, and, most importantly, for American workers, and one that is going to result in growth in the economy and, therefore, in revenue through growth, not through higher taxes but in fact by getting the tax rates down and having a competitive international tax system.

The last thing we want to do is to look back a few years from now and say: We had this opportunity. In this area, at least, we have a President willing to work with us. We have some Democrats and Republicans willing to join hands and get something done. We

missed the opportunity. Now we are seeing this unfortunate movement of more and more of our great American companies overseas. We are seeing the American tax base being eroded. We are seeing something that would take away the opportunity for us to help get this economy back on track for everybody, for the shared prosperity that we all seek.

If that happens, we will have no one to blame but ourselves here in this town. So I would encourage my colleagues again: Look at what is happening. Look at what happened with Pfizer last week, with Shire this week, and with yet another company I am sure next week. We need to wake up and realize that if we don't act—and we alone can act because this requires a change in tax policy. It cannot happen through more regulations. It has to happen by changing the law. If we don't act, we are not doing our duty to those who sent us here to represent them.

I yield the floor.

ADJOURNMENT UNTIL 10 A.M.
TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 10 a.m. tomorrow.

Thereupon, the Senate, at 7:18 p.m., adjourned until Wednesday, November 4, 2015, at 10 a.m.