Snowmobile Manufacturers Association, the Recreational Vehicle Industry, environmental organizations that have done great work in conservation, the National Shooting Sports Foundation. These are groups, organizations—not partisan efforts, but organizations that rely on Democrats and Republicans.

The Indian Nation supports David Bernhardt's nomination. These are Republicans, Democrats, and Independents across the country who believe David Bernhardt would do an incredible job at the Department of the Interior.

Here is a letter of support for David Bernhardt from the chief of the Penobscot Nation. The National Cattlemen's Beef Association supports the nomination of David Bernhardt. The list goes on and on.

To my colleagues today, from those who know him best, I ask support for David Bernhardt, Deputy Secretary of the Department of the Interior, and stress the importance of a strong bipartisan vote today to show support for our western States that have so much need at the Department of the Interior. The work needs to be done so that we can start once again getting to the work of the people.

I yield the floor.

CLOTURE MOTION

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the nomination of David Bernhardt, of Virginia, to be Deputy Secretary of the Interior.

Mitch McConnell, Roger F. Wicker, John Thune, Tim Scott, John Hoeven, Pat Roberts, Orrin G. Hatch, Tom Cotton, John Barrasso, Thom Tillis, Michael B. Enzi, John Boozman, James M. Inhofe, John Cornyn, James Lankford, Mike Rounds, Cory Gardner.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the nomination of David Bernhardt, of Virginia, to be Deputy Secretary of the Interior, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The bill clerk called the roll.

Mr. CORNYN. The following Senators are necessarily absent: the Senator from Arizona (Mr. MCCAIN), the Senator from Kansas (Mr. MORAN), and the Senator from Nebraska (Mr. SASSE).

Mr. DURBIN. I announce that the Senator from Vermont (Mr. LEAHY) and the Senator from Michigan (Ms. STABENOW) are necessarily absent.

The PRESIDING OFFICER (Mr. PERDUE). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 56, nays 39, as follows:

[Rollcall Vote No. 165 Ex.]

YEAS—56

Alexander	Fischer	Murkowski
Barrasso	Flake	Paul
Bennet	Gardner	Perdue
Blunt	Graham	Portman
Boozman	Grassley	Risch
Burr	Hatch	Roberts
Capito	Heinrich	Rounds
Cassidy	Heitkamp	Rubio
Cochran	Heller	Schatz
Collins	Hoeven	Scott
Corker	Inhofe	Shelby
Cornyn	Isakson	Strange
Cotton	Johnson	Sullivan
Crapo	Kennedy	Thune
Cruz	King	Tillis
Daines	Lankford	Toomey
Donnelly	Lee	Wicker
Enzi	Manchin	Young
Ernst	McConnell	

NAYS—39

Baldwin	Franken	Nelson
Blumenthal	Gillibrand	Peters
Booker	Harris	Reed
Brown	Hassan	Sanders
Cantwell	Hirono	Schumer
Cardin	Kaine	Shaheen
Carper	Klobuchar	Tester
Casey	Markey	Udall
Coons	McCaskill	Van Hollen
Cortez Masto	Menendez	Warner
Duckworth	Merkley	Warren
Durbin	Murphy	Whitehouse
Feinstein	Murray	Wyden

NOT VOTING—5

Leahy	Moran	Stabenow
McCain	Sasse	

The PRESIDING OFFICER. On this vote, the yeas are 56, the nays are 39.

The motion is agreed to.

The Senator from Utah.

Mr HATCH. Mr. President, is it appropriate to make a speech at this time?

The PRESIDING OFFICER. It is.

Mr. HATCH. Thank you, Mr. President.

President Ronald Reagan used to say that people are policy. Attacking a new President's policies, therefore, often includes undermining his or her ability to appoint men and women to lead his or her administration.

The Constitution gives to the President the power to appoint executive branch officials. The Senate has the power of advice and consent as a check on that appointment power.

In the early months of the Obama administration, Senate Democrats were clear about how we should carry out our role in the appointment process. Less than 2 weeks after President Obama took office, the Judiciary Committee chairman said he wished that the Senate could have put the new Justice Department leadership in place even more quickly. Just 3 months into President Obama's first term, the chairman argued that, ''at the beginning of a presidential term, it makes sense to have the President's nominees in place earlier, rather than engage in needless delay.''

Well, actions speak much louder than words. With a Republican in the White House, Senate Democrats have turned our role of advice and consent into the most aggressive obstruction campaign in history.

This chart is an illustration.

Democrats complained about obstruction when, during the first 6 months of the Obama administration, the Senate confirmed 69 percent of his nominations. Today marks 6 months since President Trump took the oath of office, and the Senate has been able to confirm only 23 percent of his nominations.

I ask my Democratic colleagues: If 69 percent is too low, what do you call a confirmation pace that is two-thirds lower?

Democrats do not have the votes to defeat nominees outright. That is why the centerpiece of their obstruction campaign is a strategy to make confirming President Trump's nominees as difficult and time-consuming as possible.

Here is how they do it. The Senate is designed for deliberation as well as for action. As a result, the Senate must end debate on a nomination before it can confirm that nomination. Doing so informally is fast. Doing it formally is slow.

In the past, the majority and minority informally agreed on the necessity or length of any debate on a nomination, as well as when a confirmation vote would occur. The first step in the Democrats' obstruction campaign, therefore, is to refuse any cooperation on scheduling debates and votes on nominations. The only option is to use the formal process of ending debate by invoking cloture under Senate rule XXII. A motion to end debate is filed, but the vote on that motion cannot occur for 2 calendar days. If cloture is invoked, there can then be up to 30 hours of debate before a confirmation vote can occur.

The Democrats' obstruction playbook calls for stretching this process out as long as possible. While informal cooperation can take a couple of hours, the formal cloture process can take up to several days.

The late Senator Daniel Patrick Moynihan once said that you are entitled to your opinion, but not to your own set of facts. I would state, then, to let the confirmation facts do the talking.

President Trump and his three predecessors were each elected with the Senate controlled by his own political party. This is another illustration right here. At this point in the Clinton and George W. Bush administrations, the Senate had taken no cloture votes—nothing, none whatsoever—as you can see, on nominations. We took just four nomination cloture votes at this point during the Obama administration. So far in the Trump administration, the Senate has taken 33 cloture votes on nominations. Think about that. If that isn't obstruction, I don't know what is. It is not even close.

There is one very important difference between cloture votes taken in the beginning of the Clinton, Bush, or Obama administrations and those taken this year. In November 2013, Democrats effectively abolished nomination filibusters by lowering the vote

necessary to end debate from a supermajority of 60 to a simple majority. It now takes no more votes to end debate than it does to confirm a nomination. In other words, the Senate did not take cloture votes during previous administrations, even though doing so could have prevented confirmation.

Today, Democrats are forcing the Senate to take dozens of cloture votes even though doing so cannot prevent confirmation. At least half of these useless cloture votes taken so far would have passed even under the higher 60-vote threshold.

Earlier this week, 88 Senators, including 41 Democrats, voted to end debate on President Trump's nominee to be Deputy Secretary of Defense. We have seen tallies of 67, 81, 89, and even 92 votes for ending debate. Meanwhile, these needless delays are creating critical gaps in the executive branch.

A clear example is the nomination of Makan Delrahim, a former Senate staffer whom everybody on both sides knows, is a wonderful guy, and who everybody knows is honest. But this clear example is the nomination of Delrahim to head the Antitrust Division at the Department of Justice. Antitrust enforcement is a critical element of national economic policy. It protects consumers and businesses alike, and, without filling these important posts, uncertainty in the market reigns. This is a particular problem at a time of common and massive mergers and acquisitions. Yet Mr. Delrahim, like dozens of others, has been caught in the maelstrom of delays. Mr. Delrahim was appointed out of the Judiciary Committee on a 19-to-1 vote. Everybody there knows how good he is, how decent he is, how honorable he is, and how bipartisan he has been. He is supremely qualified and enjoyed broad support throughout the Senate as a whole. Yet his nomination, like so many others, languishes on the floor because of Democratic obstruction. Indeed, it has taken longer to get Mr. Delrahim confirmed than any Antitrust Division leader since the Carter administration. Keep in mind that this is a former staffer of ours who served both Democrats and Republicans.

Regarding the delay of Mr. Delrahim's confirmation, I ask unanimous consent to have two news articles printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From www.wsj.com, July 12, 2017]

SENATE FIGHT OVER TRUMP'S NOMINEES HEATS UP

(By Brent Kendall and Natalie Andrews)

WASHINGTON—A congressional battle over President Donald Trump's nominations for a range of influential positions is escalating and becoming more acrimonious, creating additional uncertainty over when some notable government vacancies might be filled.

Mr. Trump has been slower than recent presidents to roll out nominees. But for an array of people the president has selected, Senate Democrats are using procedural tactics to slow the confirmation process to a crawl—at least in part to object to the lack of open hearings on health-care legislation, Democratic leaders say.

More than 30 nominees are sitting on the sidelines while they await a final Senate confirmation vote. Those include several picks for the Justice and Treasury departments, as well as new commissioners for a federal energy regulator that has been unable to conduct official business because of its vacancies.

If the currept pattern holds, many of these people may not be confirmed for their jobs before the Senate takes a break in mid-August. Senate Minority Leader Chuck Schumer (D., N.Y.) in most circumstances has been invoking Senate procedures to require up to 30 hours of debate per nominee, an amount of Senate floor time that means lawmakers can't confirm more than a handful of nominees each week.

The minority party often waives a requirement for lengthy debate, but Democrats are generally declining to do so. In response to GOP complaints, they cite what they call Republican obstructionism under President Barack Obama, including Republicans' refusal to hold a hearing or vote on Mr. Obama's Supreme Court nominee, Merrick Garland.

In the current environment, even noncontroversial nominees can take up several days of Senate time. For example, the Senate spent much of the first part of the week considering the nomination of David Nye to be a federal judge in Idaho. Mr. Nye was originally nominated by Mr. Obama and Mr. Trump renominated him after taking office.

Senators took a procedural vote Monday on Mr. Nye, but he wasn't confirmed until Wednesday afternoon, on a 100–0 vote.

Raw feelings on both sides of the aisle erupted this week. Republicans accused Democrats of unprecedented obstruction, saying it would take the Senate more than 11 years at the current pace before Mr. Trump could fully staff a government.

White House legislative affairs director Marc Short, in a press briefing Monday, accused Mr. Schumer of being an irresponsible champion of the ''resist'' movement. Senate Majority Leader Mitch McConnell (R., Ky.) cited the issue as a top reason for his decision to push back the Senate's planned August recess by two weeks.

On the Senate floor Wednesday, Mr. McConnell said Democrats were ''bound and determined to impede the president from making appointments, and they're willing to go to increasingly absurd lengths to further that goal.''

Democrats dismiss such characterizations given what they see as unprecedented Republican tactics toward Mr. Obama's nominees, especially Judge Garland. In February 2016, Republican Senate leaders said they wouldn't consider a Supreme Court nominee until after the election.

Democrats also note that Mr. Trump has yet to name people for hundreds of vacancies and say there have been paperwork problems with a number of people he has chosen.

''Our Republican friends, when they're worried about the slow pace of nominations, ought to look in the mirror,'' Mr. Schumer said on the Senate floor on Tuesday. The GOP complaints about the pace of confirmations, he added, ''goes to show how desperate our Republican leadership is to shift the blame and attention away from their healthcare bill.''

Mr. Schumer has said Democrats will generally insist on lengthy Senate debate time for nominees until Republicans start using traditional Senate procedures for advancing their health legislation, including committee hearings and bill markups.

Mr. McConnell has said Republicans have held numerous hearings on ACA issues in the past and it isn't necessary to do so for the current legislation.

Unlike the political fights earlier in the year over some of Mr. Trump's cabinet picks and his Supreme Court nomination of Neil Gorsuch, the current nominees at the head of the queue aren't high-profile, and some have bipartisan support.

Those awaiting Senate floor action include Makan Delrahim, in line to lead the Justice Department's antitrust division. Mr. Delrahim, a deputy White House counsel who served as a government antitrust lawyer in the George W. Bush administration, was approved by the Senate Judiciary Committee five weeks ago on a 19–1 vote.

Among its current pending matters, the antitrust division is deep into its review of AT&T Inc.'s proposed $85 billion deal to acquire Time Warner Inc., a transaction announced in October.

Also pending are two picks for Republican seats on the Federal Energy Regulatory Commission, which usually has five members but currently has just one. Since February, the commission has lacked a quorum to conduct official business such as approving energy infrastructure projects. The nominees, Neil Chatterjee, a McConnell aide, and Robert Powelson, each were approved on a 20–3 vote by the Senate Energy and Natural Resources Committee last month.

Mr. Trump may have made a tactical misstep by not moving to fill an open Democratic FERC seat at the same time he announced the GOP nominees in May. For government commissions made up of members from both parties, presidents usually look to pair Democratic and Republican nominees, which gives both sides an incentive to move forward with the nominations. Mr. Trump in late June announced his intention to nominate Richard Glick, a Democratic Senate staffer, for an open FERC seat, but he hasn't done so yet.

Other pending nominees include Boeing executive Patrick Shanahan to be deputy secretary of defense, the No. 2 slot at the Pentagon, and Kevin Hassett to be the chairman of the Council of Economic Advisers.

Dozens of other nominees have been working their way through Senate committees and could be in line for full Senate consideration in the coming weeks. Those include Christopher Wray for FBI director as well as two nominees for the Nuclear Regulatory Commission.

[From Law360, New York, July 14, 2017]

WAIT TO CONFIRM TRUMP'S ANTITRUST CHIEF LONGEST IN 40 YEARS

(By Eric Kroh)

It has taken longer for the administration of President Donald Trump to get its top antitrust lawyer in place at the U.S. Department of Justice than any since President Jimmy Carter, leaving the division running at a limited clip some six months into Trump's tenure.

As of Friday, it has been 175 days since Trump's inauguration, and his nominee for assistant attorney general in charge of the DOJ's antitrust division, Makan Delrahim, has yet to be approved by the full Senate despite pressing matters such as the government's review of AT&T's proposed $85 billion acquisition of Time Warner.

After taking office, Trump's five predecessors had their nominees to head the antitrust division confirmed by June at the latest. In the last 40 years, only Carter has taken longer to get his pick permanently installed after a change in administration. Carter nominated John H. Shenefield to be assistant attorney general on July 7, 1977, and he was confirmed on Sept. 15 of that year.

On the rung below, only two of five deputy assistant attorney general positions are currently filled at the antitrust division. Though the division is largely staffed by career employees and has been humming along under acting directors, the lack of a confirmed head and the vacancies at the deputy level could be a sign that the administration doesn't place a high priority on antitrust matters, according to Christopher L Sagers of the Cleveland-Marshall College of Law at Cleveland State University.

''It doesn't seem like this particular White House has been as interested in the day-to-day administration of government as it has been in political issues,'' Sagers said. ''I don't think that bodes particularly well for antitrust enforcement.''

Trump did not take especially long to nominate Delrahim. It had been 66 days since his inauguration when Trump announced his choice on March 27. Former President Barack Obama was relatively speedy with his pick, naming Christine A. Varney to the position a mere two days after taking the oath of office. On average, though, the six presidents before Trump took about 72 days to announce their nominees.

However, it has taken an unusually long time for Delrahim to make it through the logjam of nominations in the Senate. As of Friday, it has been 109 days since Trump announced Delrahim as his pick to lead the antitrust division. Of the past six administrations, only President George W. Bush's nominee took longer to confirm when the Senate approved Charles A. James on June 15, 2001, 120 days after he was nominated.

Popular wisdom holds that the antitrust division is hesitant to launch any major merger challenges or cartel investigations when it is operating under an acting assistant attorney general, but that is largely a canard, Sagers said.

It's true that the division has been mainly focused on addressing litigation and deal reviews that were already ongoing when Trump took office and continuing probes begun under Obama. However, past acting assistant attorneys general have not been afraid to take aggressive enforcement actions, such as the DOJ's challenge to AT&T's acquisition of T-Mobile in 2011 under acting head Sharis A. Pozen, Sagers said.

Nevertheless, the lack of permanent leadership is likely being felt at the division, Sagers said.

''At a minimum, it's a burden on the agency's ability to get all its work done,'' he said.

For example, the DOJ asked the Second Circuit on two occasions for more time to file its opening brief in a case involving the government's interpretation of a decades-old antitrust consent decree that applies to music performing rights organization Broadcast Music Inc. In its request, the DOJ said it needed to push back the filing deadline because of the turnover in leadership at the antitrust division.

''Given the context of decrees that govern much of the licensing for the public performance of musical works in the United States, this is an important issue,'' the DOJ said in an April court filing. ''In the meantime, there is still an ongoing transition in the leadership in the Department of Justice, and this is a matter on which the newly appointed officials should have an opportunity to review any brief before it is filed.''

The Second Circuit ultimately declined to grant the DOJ's second request for an extension.

The setting of big-picture policies at the antitrust division such as in the BMI case is exactly the kind of thing that can fall by the wayside under temporary leadership, Sagers said.

Depending on the industry, companies may also be waiting to see the direction the DOJ takes on merger reviews under the Trump administration before deciding to follow through with or pursue large deals, according to Andrea Murino, a partner with Goodwin Procter LLP.

''I do think it is something you have to factor in,'' Murino said.

Dealmakers may be watching to see how the DOJ acts on blockbuster transactions such as the AT&T-Time Warner merger. The antitrust division also has to decide whether to challenge German drug and chemicals maker Bayer AG's $66 billion acquisition of U.S.-based Monsanto Co.

The antitrust division's tenor will in large part be set by who will serve under Delrahim in the deputy assistant attorney general positions. Following Delrahim's confirmation, current acting Assistant Attorney General Andrew Finch will serve as his principal deputy. Last month, the DOJ named Donald G. Kempf Jr. and Bryson Bachman to two of the deputy assistant attorney general openings, leaving three vacancies remaining.

While it's preferable to have a full slate of officials and enforcers in place, the antitrust division will continue to review deals, go to court and police cartels until those seats are filled, Murino said.

''They've gone through this before, maybe just not for this length of time,'' she said. ''There is a slew of really talented career people that do not change with the political administration.

As long as those people are in place, they will keep the trains running on time.''

Mr. HATCH. Mr. President, Mr. Delrahim's appointment is just one example among many. This particular example serves an important case in point. Democrats are deliberately slow walking dozens of confirmations in a cynical effort to stall the President's agenda and hurt the President, but they are hurting the country, and they are hurting the Senate. They are hurting both sides.

I don't want to see Republicans respond in kind when Democrats become the majority and when they have a President.

It won't surprise anyone to hear that they are not limiting their obstruction campaign to executive branch nominees. In fact, looking at the judicial branch shows that this is part of a long-term obstruction strategy. In February 2001, just days after the previous Republican President took office, the Senate Democratic leader said they would use ''any means necessary'' to obstruct the President's nominees. A few months later Democrats huddled in Florida to plot how, as the New York Times described it, to ''change the ground rules'' of the confirmation process. And change the ground rules is exactly what they did.

For two centuries, the confirmation ground rules called for reserving time-consuming rollcall votes for controversial nominees so that Senators could record their opposition. Nominations with little or no opposition were confirmed more efficiently by voice vote or unanimous consent.

Democrats have literally turned the confirmation process inside out. Before 2001, the Senate used a rollcall vote to confirm just 4 percent—4 percent—of judicial nominees and only 20 percent of those rollcall votes were unopposed nominees.

During the Bush Administration, after Democrats changed the ground rules, the Senate confirmed more than 60 percent of judicial nominees by rollcall vote, and more than 85 percent of those rollcall votes were on unopposed nominees.

Today, with a Republican President again in office, Democrats are still trying to change the confirmation ground rules. The confirmation last week of David Nye to be a U.S. district judge was a prime example. The vote to end debate on the Nye nomination was 97 to 0. In other words, every Senator, including every Democrat, voted to end the debate. Most people with common sense would be asking why the cloture vote was held at all and why the delay.

But Democrats did not stop there. Even after a unanimous cloture vote, they insisted on the full 30 hours of postcloture debate time provided for under Senate rules. To top it off, the vote to confirm the nomination was 100 to 0.

I don't want anyone to miss this. Democrats demanded a vote on ending a debate none of them wanted, and then they refused to end the debate they had just voted to terminate—all of this on a nomination that every Democrat supported. That is changing the confirmation ground rules.

Only four of the previous 275 cloture votes on nominations had been unanimous. In every previous case, whatever the reason was for the cloture vote in the first place, the Senate proceeded promptly to a confirmation vote.

In 2010, for example, the Senate confirmed President Obama's nomination of Barbara Keenan to the Fourth Circuit 2 hours after unanimously voting to end debate.

In 2006 the Senate confirmed the nomination of Kent Jordan to the Third Circuit less than 3 hours after unanimously ending debate.

In 2002 the Senate confirmed by voice vote the nomination of Richard Carmona to be Surgeon General less than 1 hour after unanimously ending debate.

The Nye nomination was the first time the Senate unanimously invoked cloture on a U.S. district court nominee. This was the first time there was a unanimous vote to end debate on any nomination on which the minority refused to allow a prompt confirmation vote.

Here is another chart that shows the percent confirmed by rollcall vote during the Clinton administration, the George W. Bush administration, and the Obama administration. Here we have the Trump administration, and, as you can see, they are not confirming his nominees even if they are qualified and the Democrats admit it. No matter how my friends across the aisle try to change the subject, these facts are facts.

While the Senate used time-consuming rollcall votes to confirm less

than 10 percent of the previous three Presidents' executive branch nominees, under President Trump, it is nearly 90 percent.

I admit the Democrats are bitter about the Trump win. I understand that. Everybody on their side expected Hillary Clinton to win. Many on our side expected her to win as well. But she didn't. President Trump is now President, and he did win, and he is doing a good job of delivering people up here to the Senate for confirmation.

This is not how the confirmation process is supposed to work.

The Constitution makes Senate confirmation a condition for Presidential appointments. This campaign of obstruction is exactly what the Senate Democrats once condemned. Further poisoning and politicizing the confirmation process only damages the Senate, distorts the separation of powers, and undermines the ability of the President to do what he was elected to do.

I hope our colleagues on the other side will wise up and realize that what they are doing is destructive to the Senate, harmful to the Senate, and it is a prelude to what can happen when they get the Presidency. I don't want to see that happen on the Republican side.

TAX REFORM

Mr. President, to change the subject, I would like to speak about the effort to reform our Nation's Tax Code. Last week, I came to the floor to give what I promised would be the first in an ongoing series of statements about tax reform. Today, I would like to give the second speech on that subject in this series.

As I have said before, while there are tax reform discussions ongoing between congressional leaders and the administration, I expect there to be a robust and substantive tax reform process here in the Senate, one that will give interested Members—hopefully from both parties—an opportunity to contribute to the final product. I anticipate that, at the very least, the members of the Finance Committee will want to engage fully in this effort.

I have been working to make the case for tax reform for the last 6 years, ever since I became the lead Republican on the Senate Finance Committee. This current round of floor statements is a continuation of that effort.

Last week, I spoke on the need to reduce the U.S. corporate tax rate in order to grow our economy, create jobs, and make American businesses more competitive. Today's topic is closely related to that one. Today, I want to talk about the need to reform our international tax system.

Over the last couple of decades, we have enjoyed a rapid advancement in technology and communication, which has been a great benefit to everyone and has improved the quality of life for people all over the world. Unfortunately, our tax system has failed to evolve along with everything else.

For example, in the modern world, business assets have become increasingly more mobile. Assets like capital, intellectual property, and even labor can now be moved from one country to another with relative ease and simplicity. Assets that are relatively immobile—those that cannot be easily moved—are becoming increasingly rare. The Tax Code needs to change to reflect that fact.

Our current corporate tax system imposes a heavy burden on businesses' assets, which creates an overwhelming incentive for companies to move their more mobile assets offshore, where income derived from the use of the assets is taxed at lower rates.

As I noted last week, there is no shortage of lower tax alternatives in the world for companies incorporated in the United States. It does not take a rocket scientist to understand this concept. All other things being equal, if there are two countries that tax businesses at substantially different rates, companies in the country with higher tax rates will have a major incentive to move taxable assets to the country with lower rates. That dynamic only moves in one direction, as there are not many companies that are looking to move to higher tax countries, like the United States, from lower tax jurisdictions. This is not just a theory; this has been happening for years.

An inversion, if you will recall, is a transaction in which two companies merge, and the resulting combined entity is incorporated offshore. Let me repeat some numbers that I cited last week. In the 20 years between 1983 and 2003, there were just 29 corporate inversions out of the United States. In the 11 years between 2003 and 2014, there were 47 inversions—nearly double the number in half the amount of time. That number includes companies that are household names in the United States. This is happening in large part because of the perverse incentives embedded in our corporate tax system and the stupidity of us in the Congress to not solve this problem.

Keep in mind that I am only talking about inversions. There are also foreign takeovers of U.S. companies, not to mention arrangements that include earnings stripping and profit shifting. The collective result has been a massive erosion of the U.S. tax base and, perhaps more importantly, decreased economic activity here at home.

Make no mistake—our foreign competitors are fully aware of these incentives. They have recognized that lowering corporate tax rates can help them lure economic activity into their locations. Yet, in the face of this competition, the U.S. tax system has remained virtually frozen.

As I noted last week, reducing the corporate tax rate would help alleviate these problems, but more will be required, including reforms to our international tax system.

Currently, the United States uses what is generally referred to as a worldwide tax system for international tax, which means that U.S. multinationals pay the U.S. corporate tax on domestic earnings as well as on earnings acquired abroad. Taxes on those offshore earnings are generally deferred so long as the earnings are kept offshore and are only taxed upon repatriation to the United States after accounting for foreign tax credits and the like.

Put simply, this type of system is antiquated. The vast majority of our foreign counterparts have already done away with worldwide taxation and have converted to a territorial system. Generally speaking, a territorial system is one in which multinational companies pay tax only on earnings derived from domestic sources.

By clinging to its worldwide tax system and a punitively high corporate tax rate, the United States has severely diminished the ability of its multinational companies to compete in the world marketplace. Because U.S.-based companies are subject to worldwide taxation while their global competitors are subject to territorial taxation systems, U.S. companies all too often end up having to pay more taxes than their foreign competitors, putting them at a distinct competitive disadvantage.

Generally speaking, foreign-based companies pay taxes only once at the tax rate of the country from which they have derived the specific income. A U.S. multinational, on the other hand, generally pays taxes on offshore income at the rate set by the source country but then gets hit again—and at a punitively high rate—when it repatriates its earnings back to America.

This is stupidity in its highest sense. This needs to change. It is not only Republicans who are saying that; many Democrats have recognized this issue as well. For example, I will cite the Finance Committee's bipartisan working group on international tax, which is cochaired by Senators PORTMAN and SCHUMER, our ranking minority leader, which examined these issues thoroughly and produced a report in 2015. In that report, after noting that most industrialized countries have lower corporate rates and territorial systems, this bipartisan group of Senators said: ''This means that no matter what jurisdiction a U.S. multinational is competing in, it is at a competitive disadvantage.''

The report by Senators PORTMAN and SCHUMER and the members of their working group also referred to something called the lock-out effect. Simply put, the lock-out effect refers to the incentives U.S. companies have to hold foreign earnings and make investments offshore in order to avoid the punitive U.S. corporate tax. This is not a dodge or a tax hustle on the part of these companies; they are simply doing what the Tax Code tells them to do. The Tax Code essentially tells U.S. companies: You can have $100 in Ireland, say, or you can have $65 in the United States.