Our privacy laws also prohibit disclosure to foreign entities. This means that when a foreign government is investigating a crime within its borders and a key piece of information is stored in the United States, the foreign government must likewise work through diplomatic channels to obtain the information.

The growing prevalence of cloud and remote network computing has put law enforcement into increasing conflict with these sorts of restrictions. Crime knows no borders. A child pornographer in Bangalore may post photos of an American victim on a British server which can be accessed worldwide. A U.S. official investigating the crime may need information stored on the British server in order to track down the culprit. If the server was in the United States, the official could simply issue a warrant. But that tool isn't available in this scenario because the server is overseas.

Moreover, the United Kingdom may have a statute, similar to our own law, that prohibits British service providers from disclosing communications to foreign entities. Diplomatic channels exist for sharing such data, but these channels are exceptionally slow and can take months or even years to process requests. In the meantime, crimes go unpunished and perpetrators disappear.

This state of affairs is simply not tenable. We cannot allow outdated laws to hamstring law enforcement efforts in this way. At the same time, we must adequately protect Americans' privacy against unwarranted government intrusion.

Some have suggested that the answer is to simply extend the reach of U.S. warrants worldwide. This, however, is not a viable solution as foreign disclosure laws can and do conflict with U.S. laws. Extending the reach of U.S. warrants without reasonable limits would thus place service providers in the impossible position of having to choose which country's laws to violate—ours or the foreign jurisdiction's.

What we need is a sensible regime with clear rules that determine access based on factors that matter to the person whose data is being sought. At the same time, we need to take proper account of the laws and interests of other countries, especially our allies.

We ought to avoid, wherever possible, trampling on other nations' sovereignty or ignoring their own citizens' legitimate claims to privacy. Accordingly, ICPA sets clear rules for when and how U.S. law enforcement can access electronic data based on the location and nationality of the person whose data is being sought.

Here is what the bill says:

If a person is a U.S. national or is located in the United States, law enforcement may compel disclosure, regardless of where the data is stored, provided the data is accessible from a U.S. computer and law enforcement uses proper criminal process.

If a person is not a U.S. national, however, and is not located in the United States, then different rules apply. These rules are founded on three principles: respect, comity, and reciprocity.

First, respect. If U.S. law enforcement wishes to access data belonging to a non-U.S. national located outside the United States, then U.S. law enforcement must first notify the person's country of citizenship and provide that country an opportunity to object. This shows respect to the other country and gives it an opportunity to assert the privacy rights of its citizen.

Second, comity. If, after receiving notice, the other country lodges an objection, a U.S. court undertakes a comity analysis to determine whose interests should rightly prevail—the U.S. interests in obtaining the data or the foreign interests in safeguarding the privacy of its citizen. As a part of this analysis, the court considers such factors as the location of the crime, the seriousness of the crime, the importance of the data to the investigation, and the possibility of accessing the data through other means.

Third, reciprocity. In order to receive notice and an opportunity to object, the other country must provide reciprocal rights to the United States. This ensures that the U.S. provides its own citizens an equal or greater level of protection against foreign requests for data. It also offers incentives to foreign governments to properly safeguard the data of U.S. citizens within their borders.

Up to this point, I have been focusing on requests by U.S. law enforcement for data stored outside the United States, but there is another side to the problem, and that is what happens when foreign law enforcement requests data stored inside the United States.

As I have mentioned, our privacy laws prohibit disclosure to foreign entities. Suppose a British subject committed a crime in Britain but data relevant to the investigation is stored in the United States. Even if British law provides for extraterritorial process, a UK official investigating the crime will be unable to obtain the data because U.S. law prevents disclosure to foreign officials. As with U.S. requests for data in other countries, diplomatic channels exist for sharing such data, but these channels are slow and extremely cumbersome.

Accordingly, for the past several months, I have been working with Senator GRAHAM and others to find a solution for this second part of the problem. Senator GRAHAM, together with Senator WHITEHOUSE, convened a hearing in May of this year that I believe highlighted the need for action. I have also met with Ambassadors and other high-ranking foreign officials who have impressed upon me the challenges they are facing under existing U.S. law.

I think we need to address this second side of the problem—foreign requests for data in the United States—as well. We need to address it in conjunction with the first side—U.S. requests for data in other countries.

It will not do to give foreign authorities readier access to data stored in the United States without likewise clarifying U.S. law enforcement's ability to obtain data stored abroad. Similarly, it is inconceivable to me that we would open our doors to foreign law enforcement requests while telling U.S. law enforcement that data in other countries is off-limits. Surely, we should not prefer foreign criminal investigations over domestic ones.

I believe these two issues—ICPA and the bilateral United States-United Kingdom agreement—are inextricably linked. I have worked in good faith with Senator GRAHAM and with Senator WHITEHOUSE to find a path forward on these issues. It is my firm belief that we need to move these two issues together. Everyone has a vested interest in privacy, and everyone has a vested interest in bringing criminals to justice. We are going to work together on this.

In closing, I would emphasize one additional point. The question of whether, when, and under what circumstances the United States should authorize law enforcement access to data stored abroad is a question for Congress. There have been suggestions in some corridors that this is a question for the courts to decide. I emphatically reject that question. This is a policy question for Congress.

We should not defer to the courts' interpretation of a statute that was passed 30 years ago with no thought or comprehension of the situation we face today. Subject to constitutional constraints, it is Congress's job to set the bounds of government's investigatory powers. We decide what government officials can and cannot do. We should not pass the buck to the judiciary merely because this is a complicated issue. We shouldn't do that.

The International Communications Privacy Act provides critical guidance to law enforcement while respecting the laws and interests of our allies. It brings a set of simple, straightforward rules to a chaotic area of the law and creates an example for other countries to follow. It is a balanced approach and a smart approach, and it deserves this body's full-throated support.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

TAX REFORM

Mr. THUNE. Mr. President, when polls ask Americans what issues are most important to them, one topic seems to score high every time: jobs and the economy. It is not surprising. The American people have had a rough time over the past few years.

The Obama years were characterized by long-term economic stagnation. Jobs and opportunities were few and far between. Wage growth was almost nonexistent, and yearly economic growth alternated between weak and woeful.

During the last year of the Obama administration—years, I might add, after the recession ended—economic growth averaged a dismal 1.5 percent. That is barely half of the growth needed for a healthy economy.

There have been some encouraging signs over the past few months. Economic growth for the second quarter of 2017 was stronger. We still have a way to go to get to where we need to be. Things still need to get better and better faster.

Another thing is, we want things to get better for the long term. During the Obama administration, there were periods of reasonable economic growth, but they were quickly followed by weak periods. That is not good enough. We need to put our economy on a strong, healthy footing for the long term.

How do we do this? How do we get back on the path to long-term economic health? One important thing we can do is reform our outdated, inefficient, and growth-stifling Tax Code.

The Tax Code might not be the first thing people think of when they think of economic growth, but it actually plays a huge rule in every aspect of our economy. It helps determine how much money you have left over to save or invest or whether you can afford a car or a house. When it comes to businesses, it can be the key to determining whether a young business gets off the ground or an existing business has the money to grow and to hire new workers.

Unfortunately, our current Tax Code is not helping our economy. Too often, American families find their opportunities limited by the size of the tax bill they owe to Uncle Sam. Large and small businesses alike find themselves struggling under heavy tax burdens that compromise their ability to grow and compete.

What does tax reform need to look like? On the individual side, of course, we need to lower income tax rates to put more money in Americans' pockets. American families should be the ones deciding how to spend their earnings and not Washington bureaucrats.

On the business side, there are two important things we can do that will have long-term benefits for economic growth: first, lower tax rates for all types of businesses—sole proprietorships, S corporations, limited liability companies, and corporations; and, second, accelerate the rate at which businesses can recover their investment costs to free up money for them to reinvest in their businesses, create new jobs, and increase wages.

When it comes to lowering business tax rates, there are several things we need to do. For starters, we need to lower our Nation's corporate tax rate. The United States has the highest corporate tax rate in the developed world. That puts American businesses at a competitive disadvantage in the global economy.

When American businesses are taxed at a far higher rate than their foreign competitors, it is likely to be the foreign, rather than the American, companies that expand and thrive.

It is not just our high corporate tax rate that puts American businesses at a competitive disadvantage. It is also our outdated worldwide tax system. If we want American businesses to stay competitive in the global economy, we need to move from a worldwide tax system to a territorial tax system.

The chairman of the Senate Finance Committee, Senator ORRIN HATCH, delivered a speech the other day explaining exactly why we need to move to a territorial system. I highly recommend reading his full speech, but I am going to take just a moment to highlight some of the points he made in that speech.

What does it mean to have a worldwide tax system? Under a worldwide tax system, American companies pay U.S. taxes on the profit they make here at home, as well as any profit they make abroad, once they bring that money back here home to the United States.

The problem with this is twofold. First, these companies are already paying taxes to foreign governments on the money they make abroad. While the current Tax Code gives them some credit for those foreign tax payments, they can still end up paying some U.S. taxes when they bring that money home, meaning they are being taxed twice on those profits.

This discourages companies from bringing their profits home to invest in their domestic operations in the United States. If the tax burden for bringing that money home is too great, they have a strong incentive to leave that money abroad and invest it in foreign workers and foreign economies.

The other problem is, most other major world economies have shifted from a worldwide tax system to a territorial tax system. In a territorial tax system, you pay taxes on the money you earn where you make it and only there. You aren't taxed again when you bring money back to your home country.

Most of American companies' foreign competitors have been operating under a territorial tax system for years so they are paying a lot less in taxes than American companies are. That leaves American companies at a competitive disadvantage.

These foreign companies can underbid American companies for new business simply because they don't have to add as much in taxes into the price of their products or services. By moving to a territorial tax system in the United States—a move that is supported, by the way, by Members of both parties—we can put American companies on an even footing with their global competitors.

With a territorial tax system and a lower corporate tax rate, we can provide a strong reason for companies to keep their operations in the United States and to bring their profits back home, instead of incentivizing companies to send their operations overseas the way they do now.

Improving the competitiveness of American companies and giving them a reason to invest their profits back home will have huge economic benefits, not only for American companies who are competing in the global marketplace but also for all the small- and medium-sized companies that form the supply chain here in the United States.

For every American company that operates in countries around the world, there are countless companies here at home that supply the raw material for the products that are sold abroad—businesses that handle the packaging and the shipping of those products and enterprises that supply support services like accounting and legal and payroll services.

The list goes on. America's global companies rely on a web of supporting businesses that spans the entire United States. As a result, when American companies are successful, so is the American economy.

Obviously, lowering corporate tax rates and moving to a territorial tax system will have the most impact on American companies with an international footprint. Tax reform also has to focus on that other engine of economic growth; that is, the American small business.

Like bigger businesses, small businesses currently face high tax rates, at times even exceeding those paid by large corporations. Lowering tax rates for small businesses has to be a part of any tax reform bill.

A dollar saved in lower tax rates is a dollar a small business owner can put back into the business to expand, to add another worker, or to give employees a raise. The other thing we can do for small businesses is to allow them to recover their investments in inventory, machinery, and the like faster.

Under current law, small- and medium-sized corporations are often required to use a method of accounting known as accrual accounting. Basically, what that means is, a business has to pay tax on income before it receives the cash and cannot deduct all of its expenses when it pays the invoice.

For investments in equipment and facilities, the delay in recovering the cost of the investment can be even longer. For instance, right now, the cost of a computer is recovered over 5 years; tractors, over 7 years; and commercial buildings, over 39 years.

For many businesses, this means it can be many years before that substantial investment can be fully deducted. That can leave a business extremely cash poor. Cash-poor businesses don't expand, they don't hire new workers, and they don't increase wages.

Boosting small businesses' available cash by allowing them to recover their investments faster is one of the most important things we can do to help small businesses thrive.

I have actually introduced legislation that would do just that. My bill, which is called the INVEST Act, focuses on allowing new businesses to recover their startup costs more quickly and allowing existing small- and medium-sized businesses and farms and ranches to recover their investments faster, and in some cases deducting the acquisition costs immediately.

All of the tax reform priorities I have discussed today, and more, will be part of the final tax reform package that we develop in the U.S. Senate.

Members of the tax-writing committees, in both the Senate and the House, have spent years working out the best approach to tax reform. Both committees have redoubled their efforts this year, even as the Senate and the House took up a variety of different priorities.

Last week, leaders from the Senate, the House, and the administration announced that the Senate Finance Committee, of which I am a member, and the House Ways and Means Committee would begin putting together a final version of a tax reform package. Our goal is for the Senate and House to take up and pass the legislation sometime this fall.

I am looking forward to working with Chairman HATCH and all of my colleagues in the Senate Finance Committee to put together that final bill, because American families and businesses are counting on us to enact a tax system that works for them and not against them. That is what we intend to give them.

I yield the floor.

Mr. President, I ask unanimous consent that quorum calls during consideration of the Wray nomination be charged equally to both sides.

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

Mr. THUNE. Mr. President, 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.

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

The PRESIDING OFFICER (Mr. HOEVEN). Without objection, it is so ordered

Ms. KLOBUCHAR. Mr. President, I rise today to recognize the 10th anniversary of the collapse of the I–35W bridge and to pay tribute to those who lost their lives on that tragic summer day, as well as all the first responders, healthcare workers, and ordinary citizens who did extraordinary things on this day 10 years ago.

First, I want to acknowledge one other topic; that is, this evening we will be voting on the nomination of Christopher Wray to serve as the FBI Director. I was proud to join all of my colleagues on the Judiciary Committee—now, it is not an ordinary thing to have happen on its own that we all agree on something—from both sides of the aisle to support Mr. Wray's nomination in committee on July 20 with a unanimous vote of support.

In his hearing, Mr. Wray showed that he has integrity, that he will follow the law, and that he believes in the importance of an independent FBI. Senators on both sides of the aisle asked him strong and tough questions. Given this important time in our Nation's history for law enforcement and for the FBI, I don't think you would expect anything less.

Mr. Wray handled the questions well. He was knowledgeable, but most importantly for me, he showed respect for the agents, and he showed respect for his predecessors, both Mr. Mueller and Mr. Comey. He showed respect for the law, and he understood the somber time in which he comes in to take this job.

In particular, Mr. Wray said that if he were asked to do something illegal or unethical, he would urge the President not to proceed with such a course of action, and he would resign if necessary. Mr. Wray also responded to Senator GRAHAM that he did not consider Special Counsel Mueller to be on a witch hunt, and he agreed that anyone running for elected office should notify the FBI if a foreign government offers assistance on a political campaign.

Mr. Wray also agreed with the concerns I raised that are posed by organized criminals, including those from foreign governments or who work for foreign governments, hiding their money in shell companies. He said that we had to ''follow the money.'' With news reports that the eighth person in the meeting with Donald Trump, Jr., Paul Manafort, and a lawyer connected to the Russian Government was a Russian who has been linked to money laundering, this issue is as important as ever.

In addition, Mr. Wray pledged to continue the FBI's efforts to work with the Election Assistance Commission and to address cyber security threats to our election infrastructure, so it is not just investigating things backward. A lot of what fighting crime is about—and I certainly knew this in my time as county attorney in Hennepin County—is making sure you protect people going forward. The FBI has enormous responsibilities going forward with cyber security, not only for our elections but for our government and also for business and for individual citizens.

Importantly, Mr. Wray promised to be responsive to requests from the Judiciary Committee as it carries out its oversight responsibilities. Those were questions posed to him by the committee's chairman, Senator GRASSLEY.

This is a tough time to take this tough job. The previous FBI Director, as we know, was fired because of the Russia investigation. The former Acting Attorney General was fired, and we have had a slew of other firings throughout the government over the last few months.

Well, I believe Christopher Wray is someone who will come in there with the integrity that is needed to do the job for those brave agents who go to work every day, not wearing a political button. They just go to do their work to protect us. I also believe he is the right choice at this time for our country.

I am very proud of the work the FBI in Minnesota has done, especially in the past year, with the stabbing we had at the shopping mall. The police chief there often talks about how there was so much going on at that moment, and the FBI was able to come in and help with that investigation in a significant way, so the police chief could not only work on the investigation with his officers but also calm the community, work with them, and do the other work that had to be done in the aftermath of that tragic stabbing.

That is just one example of our FBI in Minnesota, but I think every Member in this Chamber has examples in their own communities, and that is why it is important to have someone of the caliber of Christopher Wray take charge. I look forward to voting for his confirmation this evening.

I–35W BRIDGE COLLAPSE ANNIVERSARY

Mr. President, I am here today to talk about the I–35W bridge, and, as I said earlier, this was a tragedy that captivated not only my State but the country and the world. It was 10 years ago to the day that the I–35W bridge collapsed into the Mississippi River, taking the lives of 13 people and injuring over 100. I will never forget the shock and horror of that day. Everyone in my State remembers where they were when they heard that the bridge had collapsed.

As I said that day, a bridge just shouldn't fall down in the middle of America—not an eight-lane highway, not a bridge just a few blocks from my house that I drive over every single day with my family. But it happened, and when something like that happens, a lot of it has to do with, yes, what caused it—you want to know that—but also you want to know how the community responded, and that gets to the part that I really wanted to focus on today.

In the minutes and the hours following the disaster, the response of Minnesota's firefighters, police, hospital personnel, emergency personnel, and ordinary citizens was nothing short of heroic. People did not run away from that disaster. They ran toward it.

Everyone remembers the video of the off-duty firefighter diving in, over and over again, looking for survivors, or they remember that school bus precariously hanging on the edge of that broken-down bridge, where ordinary people had come to help on this broken