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Senate

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. GRASSLEY).

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Mighty God, hear our prayers, search our hearts, and know our thoughts.

Keep our lawmakers on Your path, inspiring them to walk with integrity. Hear and answer their prayers, saving them with Your might. Lord, preserve our Senators as the apple of Your eye, ordering their steps and bringing them to Your desired destination.

We love You, Lord, for You are our strength.

And, Lord, we thank You for the life and service of retired Supreme Court Justice John Paul Stevens.

We pray in Your great Name. Amen.

PLEDGE OF ALLEGIANCE

The President pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

The PRESIDING OFFICER (Mr. CRAMER). The Senator from Iowa.

MR. GRASSLEY. Mr. President, I ask unanimous consent to speak as in morning business for 1 minute.

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

ANTI-COUNTERFEITING CONSUMER EDUCATION AND AWARENESS MONTH

Mr. GRASSLEY. Mr. President, in honor of Anti-Counterfeiting Consumer Education and Awareness Month, I wish to highlight the problem of counterfeits sold online.

Counterfeiters are increasingly turning to e-commerce to sell all of their

fakes. In the past, I have advocated for increased education and awareness efforts because I believe these efforts and education are critical tools in our country's arsenal against counterfeits.

I encourage our Customs and Border Protection to identify ways to increase information sharing with their private industry partners. This is one way we can prevent the sale of fakes and keep consumers safe.

I yield the floor.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDING OFFICER. The majority leader is recognized.

REMEMBERING JOHN PAUL STEVENS

Mr. McCONNELL. Mr. President, first, this morning, the Senate recognizes the death of a distinguished American. We received word last night that the remarkable life of former Associate Justice John Paul Stevens had come to a close at the age of 99.

Justice Stevens served for 34 years on the Nation's highest Court. You didn't have to agree with his constitutional philosophy to admire his obvious intelligence or the universal reports about his kindness and collegiality or the passionate patriotism he was proud to wear on his sleeve. No question, this was a quintessential public servant of the "greatest generation."

A son of Chicago who enlisted in the Navy the day before Pearl Harbor and went on to earn a Bronze Star for his work in cracking the coded messages of Imperial Japan, there was just something about Justice Stevens that told you this man lived life to the fullest. At age 12, he was there to see Babe Ruth's "called shot" at Wrigley Field. At age 99, just this year, he published a memoir that was subtitled "Reflections on My First 94 Years." In between, alongside his time on the Court,

he found time to weigh in on Shakespeare scholarship on the side.

So the Senate joins the Nation in appreciating this American life fully lived, and our condolences are with the Stevens family on this sad day.

NOMINATION OF MARK T. ESPER

Mr. McCONNELL. Mr. President, yesterday, our colleagues on the Armed Services Committee heard testimony from Dr. Mark Esper, the Senate-confirmed Secretary of the Army and President Trump's nominee for Secretary of Defense. They examined his extensive record of military and public service and discussed the variety of challenges the next Secretary will face. By the end, I believe anybody impartial would have to have come away impressed by Dr. Esper's mastery, intelligence, and thoroughness.

Of course, it is not exactly surprising that a decorated combat veteran and distinguished scholar would convey expertise and calm under pressure. For those of us who knew him during his service as national security adviser to the former majority leader, Bill Frist, those qualities are familiar.

You could hardly invent better qualifications for the top job at the Pentagon than Mark Esper's: a graduate of West Point, advanced degrees from the Harvard Kennedy School and George Washington University, courageous service with the 101st Airborne in the Gulf war, service at the Defense Department, a successful career in the private sector.

Every step of the way, he earned respect and admiration. That includes high praise from DOD leaders of the last administration, the Obama administration. They say that Dr. Esper "works hard, he's smart, he's dedicated." He has "all the qualifications."

Our colleagues at the hearing saw an exceptionally well-qualified nominee. In fact, as my friend the junior Senator from Virginia has put it, they saw a

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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man of “sound character and moral courage.” He is a man of honor and integrity, dedicated to our Nation and committed to the men and women who serve in uniform, and I think it is clear he deserves prompt confirmation. Even more, the Pentagon and our Nation’s security deserve a Senate-confirmed Secretary of Defense to be in place and on the job.

I urge my colleagues to join me in supporting his confirmation as soon as it can reach the floor.

TREATIES

Mr. McCONNELL. Mr. President, the Senate is in the midst of considering bilateral tax treaties with Spain, Switzerland, Japan, and Luxembourg. If yesterday’s overwhelming votes on the first protocol are any indication, all four will be ratified with huge bipartisan margins by the end of the day, and American businesses and workers in all 50 States will be thrilled to finally be back on fair footing.

The details of these nuanced agreements are complicated, but the core principles are quite simple. Foreign trade and international investment are key cornerstones of the U.S. economy. Major parts of proud American businesses and hundreds of thousands of hard-working Americans’ jobs are oriented around trade with these four nations. So their governments and our government sit down and negotiate which country will tax which kind of activities. The result is more clarity, more certainty, and a lot less unfair double taxation that has cost American businesses millions and millions of dollars.

Let me say clearly that the years of delays in getting these noncontroversial treaties ratified have cost American businesses that employ American workers millions and millions of dollars. Inaction on this subject has needlessly—needlessly—put our firms that employ all of our constituents at a complete disadvantage and delayed capital investments that could have helped American workers.

Let me bring this home with some numbers. I have mentioned one Kentucky manufacturer that produces more than one-third of all stainless steel that America makes. They employ 1,500 people. I happen to know this firm is contemplating a capital investment of more than \$30 million that would benefit Kentucky workers and provide a shot in the arm for the local economy. But there has been a wrinkle because this one employer had to pay a \$15 million tax bill back in April because we hadn’t ratified the agreement with Spain. And—listen to this—if the delay had continued, an additional \$35 million tax liability would have been next—had we delayed. If the Senate had not finally acted on this, this single American manufacturer would have owed \$50 million in unnecessary or redundant taxes, had we not acted.

For nearly 6 years, this manufacturer has been laboring on an unfair playing

field that discouraged them from making investments that could have expanded operations and created more jobs in Kentucky and elsewhere in America.

Mr. President, I ask unanimous consent that the news story containing their CEO’s statement on yesterday’s ratification of the Spain treaty be printed in the RECORD.

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

[From Business Wire, July 16, 2019]

STATEMENT OF NORTH AMERICAN STAINLESS CEO CRIS FUENTES REGARDING THE PASSAGE OF THE PROTOCOL AMENDING THE TAX CONVENTION WITH SPAIN 94-2

GHENT, KY.—Today, the United States Senate passed a tax protocol with Spain that had been languishing for over five years, causing unfair double taxation for American companies with foreign investors. This has cost companies like North American Stainless tens of millions of dollars over the years; alleviation of the double taxation could now allow for greater investment in plants and workers.

NAS Chief Executive Officer Cristobal Fuentes released the following statement heralding news of the Spanish protocol’s passage:

“This is a great day for North American Stainless and so many U.S. companies with foreign investors that had been subject to unfair double taxation for many years. We are located in Kentucky, and if it had not been for Senate Majority Leader Mitch McConnell and his tireless efforts I firmly believe this day would never have come. Senator McConnell stood up for his constituents and helped many working people at our Ghent, Kentucky plant by moving this protocol through the Senate. He listened to us and put Kentucky first. Workers in all 50 states stand to benefit from Senator McConnell’s efforts, and companies nationally have him to thank for improving the American business climate.

“In addition to Senator McConnell, we are grateful to Senate Foreign Relations Committee Chairman Jim Risch and the bipartisan group of Senators on his committee that moved this protocol forward. We are also thankful that President Donald Trump and U.S. Treasury Secretary Steve Mnuchin and their staff members understood the vital importance of this protocol and strongly engaged to work with the Senate to achieve this victory. It is now vital that President Trump’s Administration move quickly to finalize and implement this protocol with the Spanish Government so that affected companies can have fiscal certainty before year’s end as it relates to tax payments. We are confident that President Trump will move quickly because this protocol falls squarely within his America First agenda.

“At a time when Chinese stainless steel producers are engaged in unfair trade practices and market uncertainty exists, this treaty victory gives a leg up to the American workers who produce quality stainless slabs in Ghent, Kentucky. Senator McConnell, President Trump, Secretary Mnuchin and everyone who supported the protocol stood up for workers all over America today, including the ones right here in Kentucky. This treaty will preserve and unlock large investments in our facility, and we look forward to talking more about that in the near future.”

Mr. McCONNELL. Multiply this kind of story by all of the other numerous, significant Kentucky companies whom these agreements affect; then multiply

by 50 States because U.S. businesses from coast to coast interact with these four nations; then consider how many hundreds of thousands of workers all of these companies employ. That is the scale of what we are talking about—the highest consequences.

I know job creators across the country are thrilled that the Senate is finally moving forward this week, and I am certainly proud to have helped resolve this matter. But, curiously, it seems that not all of our colleagues are thrilled. Don’t get me wrong; the vote totals on the floor have spoken volumes. The cloture vote on the Spain agreement was 94 to 1—just one Senator in opposition—and the treaty was ratified yesterday 94 to 2.

Yet I was curious to hear one colleague of ours come to the floor yesterday and passionately argue against what I have done as majority leader to support these agreements. As the Member himself stated, he has made obstructing these tax treaties a yearlong personal project. The United States and Spain agreed on this protocol back in 2013. Spain ratified it in 2014. That is when it also arrived here in the Senate.

For nearly 6 years, he has worked to stall ratification. I know, because on multiple occasions I sought unanimous consent to secure Senate ratification of this protocol. During that time, he has tried and failed to persuade Treasury Departments of two different administrations to insist on certain changes that would have required reopening the international negotiations. He tried and failed to persuade his colleagues on the Foreign Relations Committee that his ideas were so necessary that we should risk scuttling the treaties—scuttling all of the treaties—over them. He tried and failed to persuade the whole Senate.

At every step, executive branch officials and Senate colleagues have tried to engage his concerns in good faith. But for 6 years in the case of the Spain treaty, 8 years with respect to Switzerland, and 9 years with respect to Luxembourg, he was unable to persuade anybody—over 9 years. In all of that time, no one was persuaded, partly because the changes he demanded don’t solve a real problem, partly because they would have forced reopening the treaties for even more negotiations, and partly because everybody else was actually listening to the job creators who have been pleading with us for years to get this millstone off their necks. There were 9 years—9 years of rejecting reasonable counteroffers and accommodations, 9 years of working to hold up these treaties and trying to sell the Obama administration, the Trump administration, and his Senate colleagues on an off-the-wall story that failed to persuade anyone.

Look, I am a patient man, but my patience is not inexhaustible. After unanimous consent was denied on multiple occasions, I determined, after consulting with the Treasury Secretary and the Chairman of the Foreign Relations Committee, that I would prepare