

May 21, 2018

**Coalition to Senate Banking Committee: Incorporate REINS Act
in Foreign Investment Risk Review Modernization Act (FIRRMA)**

Dear Members of the Senate Banking Committee,

On behalf of the undersigned organizations, we urge you to support an amendment that incorporates the REINS Act into S. 2098, the Foreign Investment Risk Review Modernization Act of 2017 (FIRRMA). Inclusion of the REINS Act is vital for promoting executive branch accountability and ensuring FIRRMA does not unfairly restrict legitimate foreign investment in the U.S. economy.

Under both Republican and Democrat White Houses, federal regulators have aggressively expanded the administrative state, proposing new rules that have imposed onerous compliance costs, undermined economic growth, and hindered America's global competitiveness. Moreover, delegation of broad and boundless rulemaking authority to federal agencies has shifted power away from Congress and the people to unelected bureaucrats, weakening the checks and balances proscribed by our constitution.

In response to executive overreach, the REINS Act has been introduced in each session since the 111th Congress, each time drawing significant support from lawmakers. The measure (S.21/H.R. 26) is currently cosponsored by 38 senators and 160 members of the House of Representatives. A REINS Act amendment that is specific to FIRRMA would require Congress to approve major new rules from the Committee on Foreign Investment in the United States (CFIUS), i.e. those with an economic effect greater than \$100 million annually, before they can take effect. Such a measure would make the bureaucracy more accountable to the public and ensure Congress can prevent regulators from misusing CFIUS to restrict job-creating investment in the United States.

FIRRMA aims to better prevent the transfer of sensitive critical technology and infrastructure to America's adversaries. However, the Act empowers the CFIUS to broadly define which mergers, acquisitions, and transactions involving foreign investors must face additional government scrutiny, creating the potential for costly regulatory mischief. CFIUS should guard against legitimate threats to U.S. security. It should not create barriers to beneficial foreign investment, or be inappropriately used to protect domestic non-military firms from competition or to pick winners and losers in the U.S. economy.

Amending FIRRMA to apply the REINS Act to CFIUS would help ensure investment regulation is carefully tailored to address true malevolent behavior by foreign nationals as intended by Congress, not for the advancement of job-killing industrial policy. We urge you to vote in favor of an amendment to include the REINS Act as part of FIRRMA. Doing so will promote better accountability in government and avoid outcomes that would diminish economic growth.

Sincerely,



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