



January 24, 2022

The Honorable Chip Roy
1005 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Roy:

Conservatives for Property Rights (CPR), a coalition of policy organizations representing tens of thousands of Americans that advocate for private property rights, writes in support of H.R. 5649, the BEAT CHINA Act. Thank you for your leadership on bolstering America's industrial competitiveness.

President Reagan's Commission on Industrial Competitiveness said, "Technological innovation is a mainstay of the American economy. It is the foundation of our economic prosperity, our national security, and our competitiveness in world markets." The private property rights-free enterprise combo made ours the most innovative, prosperous nation on earth. Yet, we allowed other nations to drain our premier industrial base and economic competitiveness. Today, we must depend on other countries to manufacture many of the things we used to make in America. We must realize the vision President Reagan's Young Commission expressed and reclaim our industrial competitiveness. BEAT CHINA does so.

H.R. 5649 goes about boosting our industrial base by the best means: economic incentives. The bill creates tax incentives to encourage private companies to relocate manufacturing facilities to the United States. We commend how this version of the legislation broadens the incentives so as to attract the relocation of manufacturing here to source domestically industrial goods beyond medical products. This important change expands the prospect of attracting manufacturing from all economic and technological sectors, including domestic production of microchips, quantum computing, robotics, and wireless-digital devices.

H.R. 5649 provides relocating firms bonus depreciation, allowing full deduction of the cost of the property in the first year. The exclusion from gross income of any gains from assets disposed in a foreign country shields companies seeking to locate facilities in America from getting penalized for doing what we seek to encourage. To avoid abuse of these generous incentives, requiring at least the same level of output as the relocating business produced overseas is reasonable. Thus, CPR applauds the legislation and its incentive-based framework.

CPR strongly supports H.R. 5649. We look forward to working with you to advance this bill.

Respectfully,

James Edwards
Executive Director
Conservatives for Property Rights

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President
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* Organization names appear for identification purposes only.