



HOUSE ARMED SERVICES COMMITTEE DUNCAN HUNTER – CHAIRMAN

PRESS RELEASE

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CHAIRMAN HUNTER OPENING STATEMENT

Full Committee Hearing on the National Security Implications of Dubai Ports World's Takeover of U.S. Ports

Washington, D.C. – The Committee meets this afternoon to examine the national security implications of the Dubai Ports World (DP World) deal to take over port terminal operations in ports in six U.S. cities.

Like many Americans and members of Congress, I am deeply distressed by the national security implications of this deal. The controversy surrounding Dubai Ports World acquisition has exposed the vulnerability of U.S. ports to security threats, the inadequacy of the CFIUS review process to address those threats, and it raises the broader issue of whether the United States is taking adequate steps to protect our entire national critical infrastructure.

It is my opinion that the U.S. government needs to conduct wholesale reform as to how we protect the homeland and our critical infrastructure. This problem runs deeper than ports. Vulnerability to our maritime interests is only one example of many sectors that require increased protection and security.

The post 9/11 world demands that in the realm of national security we take nothing for granted. Voluntary compliance schemes – the method we currently employ to protect our key arteries of national and economic security – is necessary but not sufficient. Our government must take steps to enhance our security – not run the risk of creating greater vulnerabilities. We seem to be our own worst enemies. We should require critical U.S. infrastructure remain in U.S. hands. To those who say my views smack of protectionism, I say: America is worth protecting.

Yet, today's hearing is also about a failed process. In my experience, the CFIUS scheme for reviewing national security implications of foreign investment in the United States consistently comes out on the wrong side of the issue. Not too long ago this Committee sat together to discuss the Chinese National Oil Offshore Corporation's bid to merge with Unocal. In that instance the CFIUS review did not believe that the merger deal warranted the 45-day investigation, known as the Byrd Amendment.

Once again, today we find ourselves in a similar situation where none of the participants in CFIUS believed that the DP World acquisition warranted a 45-day investigation. While I think everyone on this Committee recognizes that government is imperfect and is prone to making mistakes, the Congress and the citizens of this country do not have to tolerate a process that repeatedly makes the same mistake.

It was only the huge public outcry and the pressure from the Congress that ultimately led to increase scrutiny of the DP World deal. Recently the officers of DP World requested that CFIUS conduct the 45-day investigation. While I welcome this development, I am concerned that it is too little too late. It is my understanding that the \$6.79 billion dollar deal becomes final today.

Moreover, the details of the DP World requested 45-day investigation is murky. Unanswered to date is how this investigation will be more comprehensive, more robust than the CFIUS 30 day review. Some have dismissed this review as a public relations scheme to pacify the Congress – I hope this is not the case. I look forward to hearing from our witnesses on this matter.

This problem is not going away. Just today the Washington Post reports how another Dubai owned company, Dubai International Capital, is planning a \$1.2 billion acquisition of a British company that owns U.S. subsidiaries that are part of our Defense Industrial Base. I understand that the UAE is our ally. I know that they provide vital support in the war on terror. But we must take recent events into perspective and ask: is it really in our national interest to have another country – even a friend or ally – own or operate our national critical infrastructure?

The purpose of today's hearing is to examine that question. With us this afternoon to discuss these issues are policy experts, officers of DP World, and Administration officials from the Department of Defense, Department of Treasury, Department of State, and the Department of Homeland Security.

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