



Committee on Financial Services
**“Committee on Foreign Investment in the United States
(CFIUS), One Year After Dubai Ports World”**

February 7, 2007
Statement for the Record

Thank you Mr. Chairman for holding this hearing today, and thank you to all the witnesses.

Like most Americans, I was troubled last year over the proposed deal between United Arab Emirates (UAE)-owned Dubai Ports World and the British-owned Peninsular Oriental Steamship Navigational Company. While many of the facts surrounding this case were twisted and glamorized in the media, one thing remained certain – the oversight of foreign investments in America was insufficient. The President himself stated that he was unaware that an organization, the UAE, with strong ties to terrorist-friendly nations would be in charge of the security of our busiest ports. The Committee for Financial Investment in the United States (CFIUS) let America down and drastic improvements were needed.

I was happy to vote in favor of the bill that then Majority Leader Roy Blunt introduced last year to provide CFIUS with more tools it needed to protect America against dangerous foreign investments and mergers. I am equally happy to support its reintroduction by my colleague, Congresswoman Carolyn Maloney, H.R. 556.

H.R. 556 takes the good accountability improvements that CFIUS has made within its organization and puts them in law. It is imperative that provisions such as the 30-day transaction period and requirements that the chairman and vice chairman of CFIUS sign a review of an investigation before it is complete remain in place without waver under future Administrations. I support other accountability measures that require roll call votes by CFIUS members for investigation approvals, stronger briefing requirements to Congress on H.R. 556, and most importantly, that the President is notified of any dissenting votes on a foreign controlled transaction.

Filings by foreign investors with CFIUS increased by almost 75% last year in light of the Dubai Ports deal. Some point to this statistic as a good indicator that CFIUS’ new rules are working; others worry that it is an indication that foreign investors have become skittish over doing business in America. I have never been a proponent of spinning more bureaucratic spider webs and am confident that H.R. 556 strikes the balance between protecting America and encouraging investment. I look forward to voting in favor of it again when we have the opportunity.

Thank again Mr. Chairman for holding this hearing today.