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Opening Statement
House Financial Services Committee
“Committee of Foreign Investment in the United States (CFIUS),
One Year After Dubai Ports World”
Full Committee Hearing-February 7, 2007

Chairman Frank, Ranking Member Bachus, Subcommittee Chairs and Ranking Members; thank you for holding today’s hearing, “the Committee of Foreign Investment in the United States (CFIUS), One Year After Dubai Ports World.” I am looking forward to hearing the testimony of the participating panelists today and working, in the spirit of civility and bipartisanship, to address the critically important issue of CFIUS reform.

In a post September 11th world, our nation must remain ever vigilant against any and all national security threats. The chief responsibility of the Congress is protecting America against all enemies foreign and domestic. As this new 110th Congress moves forward to address many of the critical issues and challenges facing our country, here in the House Financial Services Committee my colleagues and I, on both sides of the aisle will help to fashion solutions issues and challenges that impact both our national security and our ability to compete and thrive in the global market place.

I believe, as many of my colleagues do, that ensuring our national security and preserving and promoting foreign investment, while enhancing America’s economic competitiveness are not mutually exclusive priorities. In fact, I am confident that the Members of this Committee and both Houses of Congress can and will accomplish both through a bipartisan effort.

I, like most Americans, was fervently outraged in February of last year when the proposed \$6.8 billion purchase of Peninsular & Oriental Steam Navigation, a London-based port operation company that operates six major U.S. ports including New York, Miami, and New Orleans, by Dubai Ports World, a company owned by the government of Dubai, a member of the United Arab Emirates, was revealed in the national media.

As a Member of the House of Representatives, I was particular disturbed that I, and a vast majority of my colleagues, had to find out about this proposed deal through national media accounts as opposed to our counterparts in the Administration.

However, despite the manner in which the Congress was informed of the proposed Dubai Ports deal, I believe that silver lining in this is that the light has been shined on a vitally important process that affects our national security and economic interests. The House of Representatives recognized that the government mechanism for reviewing foreign investment and acquisitions that could impact national security, the Committee on Foreign Investment in the United States, CFIUS was in dire need of a major overhaul.

Among the significant steps the House Financial Services Committee undertook in the 109th Congress to address CFIUS reform was the introduction of H.R. 5337, the National Security Foreign Investment Reform and Strengthened Transparency Act of 2006 (National Security FIRST Act) which passed on July 26, 2006 by a vote of 424 to 0. This bipartisan legislation, which I voted for, called for strengthening the Committee on Foreign Investments in the United States (CFIUS) process by increasing administration accountability, improving the opportunities for congressional oversight, specifically involving the director of National Intelligence in reviews, and creating a process to track and enforce any agreements to mitigate security threats. I want to thank Subcommittee Chairwoman Carolyn Maloney, Rep. Deborah Pryce, Rep. Joseph Crowley and my fellow Missouri Delegation Colleague, Minority Whip Roy Blunt for their leadership and efforts to help craft this legislation, as well as for crafting H.R. 556, legislation introduced in the 110th Congress that mirrors last year's legislation.

As the House of Representative begins to consider reforms to CFIUS, we must keep in mind the balance between ensuring national security while preserving our nation's preeminent global economic leadership. In my home state of Missouri, U.S. subsidiaries play a significant role in support jobs for Missourians. These subsidiaries provide employment to over 84,000 working men and women in Missouri. In the Missouri manufacturing sector alone, U.S. subsidiaries provide over 38,000 jobs.

The impact nationally is equally as significant, therefore, any reform of the CFIUS process must balance the economic benefits of foreign investment with the reality that there is not a foreign investment that exists or that has or will be proposed that is worth risking our national security. I believe that our efforts today and throughout the 110th Congress will keep American secure and promote foreign investment.

My colleagues and I agree that there is no more important responsibility of the House of Representatives than to ensure the security of the United States. Any conversation about economic vitality cannot exist if our nation is not secure. Our task, our charge in this Congress is to maintain national security and simultaneously attract global investments that are critical to our economy. As the world market becomes smaller and competition from other markets increases, the Congress must take a balanced and careful approach to CFIUS reform.

Again, I look forward to hearing the testimony of today's panelists and to working with both sides of the aisle to address this important issue.