

House Committee on Financial Services

Hearing on Committee on Foreign Investment in the United States (CFIUS), One Year After Dubai Ports World

February 7, 2007

Congresswoman Deborah Pryce

Written Statement

Thank you, Mr. Chairman, for holding this hearing today. I also want to thank you for making CFIUS reform a priority in the opening months of the new Congress. Last Congress the National Security FIRST Act garnered unanimous support in the House with strong bipartisan work in drafting the bill. I am hopeful that we can use the momentum created last year and quickly move something to the President's desk early this Congress.

I wanted to thank Assistant Secretary Lowery for being here today, and thank the Treasury Department for being an engaged participant in reforming CFIUS.

We are overdue in giving certainty to the CFIUS process.

The American people deserve certainty that proper oversight and protections are in place to determine if a foreign interments transaction is in our national security and homeland security interests. Businesses investing in the United States deserve certainty that the process by which deals are reviewed is objective and straightforward.

The Dubai Ports World deal awakened Congress to the need to reform the CFIUS process. Internally, the Treasury Department has shown increased scrutiny of transactions. Seven second-stage investigations were conducted last year alone, a number that equals the investigations from the previous five years combined. Increased examination, however, is simply not enough. There is agreement on all fronts that certainty must be institutionalized.

The National Security FIRST Act, reintroduced as H.R. 556, gives us that certainty. This legislation ensures that a Dubai Ports World situation does not happen again in a post-9/11 world. When questions of national security or foreign government ownership arise, accountability is clear, and a transaction moves to investigation. The requirement of the signature of the CFIUS chair and vice chairs on all decisions and improved congressional oversight restores confidence to the process.

H.R. 556 also ensures that we continue to protect U.S. national and economic security, while promoting foreign investment. In Ohio, we have seen the benefits of open markets and foreign investment, welcoming into our communities Siemens, Sodexho, Honda, Lexis-Nexis, and many, many more. H.R. 556 clearly outlines an objective review

process that will encourage future investment in Ohio and elsewhere, and will help protect American companies from possible retaliatory measures by other countries.

I want to thank Chairman Frank again, and my good friend Ms. Maloney, Mr. Blunt, and Mr. Crowley for their continued hard work on this legislation.