

American Apparel & Footwear Association  
Business Roundtable  
Coalition of Service Industries  
Emergency Committee for American Trade  
National Association of Manufacturers  
National Foreign Trade Council  
United States Council for International Business

March 1, 2006

The Honorable Dennis Hastert  
Speaker of the House  
U.S. House of Representatives  
H-232 of the Capitol  
Washington, D.C. 20515

The Honorable Bill Frist  
Majority Leader  
U.S. Senate  
S. 230 of the Capitol  
Washington, D.C. 20510

The Honorable John Boehner  
Majority Leader  
U.S. House of Representatives  
H-107 of the Capitol  
Washington, D.C. 20515

The Honorable Harry Reid  
Minority Leader  
U.S. Senate  
S-221 of the Capitol  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Minority Leader  
U.S. House of Representatives  
H-204 of the Capitol  
Washington, D.C. 20515

Dear Speaker Hastert, Majority Leader Boehner, Majority Leader Frist, Minority Leader Pelosi and Minority Leader Reid:

The American business community recognizes and strongly supports the need for the U.S. government to conduct thorough national security reviews of foreign purchases and investments that may affect our nation's critical infrastructure. Section 721 of the Defense Production Act, the so called Exon-Florio Amendment, for which the Committee on Foreign Investment in the United States (CFIUS) has implementing responsibility, provides a formal procedure for carrying out such a review, as in the case of the acquisition of Peninsular & Oriental Steam Navigation Company (P&O) by Dubai Ports World.

We also recognize that foreign investment abroad by U.S. companies and foreign investment inflows into the United States are a major source of U.S. economic growth and productivity that strengthen, in turn, U.S. national security. Foreign investment in shipping terminals at U.S. ports in particular has been significant. Yet while foreign companies may own and operate these terminals, U.S. national security at our ports has been and will continue to be managed by the U.S. government, including U.S. Customs and Border Protection and other units of the U.S. Department of Homeland Security. All companies that operate in U.S. ports must adhere to high security standards set by the U.S. government. This requirement would apply to Dubai Ports World as it has to P&O.

We are, therefore, very concerned by legislative proposals that would effectively undermine the current objective process and divert attention from the strict national security criteria established by existing legislation. Altering the basic structure of the CFIUS mechanism will encourage other countries to impose barriers to U.S. investments abroad in the name of “national security” or “national interest.” Many are already too eager to do so. In the end, both U.S. economic and national security interests would suffer as a result.

The United States must maintain a fair and objective foreign investment review process that ensures U.S. national security, while still encouraging investment that strengthens the U.S. economy. We believe that it is possible to do both. We urge, therefore, that any Congressional actions not undermine the existing review process or the global U.S. interests that it serves.

We thank you for your consideration of our views.

Respectfully,



Calman J. Cohen  
President  
Emergency Committee for American Trade



William A. Reinsch  
President  
National Foreign Trade Council



Peter M. Robinson  
President and CEO  
United States Council for International Business



Kevin M. Burke  
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American Apparel & Footwear Association



Robert Vastine  
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John J. Castellani  
President  
Business Roundtable



John Engler  
President and CEO  
National Association of Manufacturers

Cc: Chairman Michael G. Oxley, House Committee on Financial Services  
Representative Barney Frank, House Committee on Financial Services  
Chairman Richard C. Shelby, Senate Committee on Banking, Housing and Urban Affairs

Senator Paul S. Sarbanes, Senate Committee on Banking, Housing, and Urban Affairs  
Chairman Bill Thomas, House Committee on Ways and Means  
Representative Charles B. Rangel, House Committee on Ways and Means  
Chairman Charles Grassley, Senate Committee on Finance  
Senator Max Baucus, Senate Committee on Finance  
Chairman Peter T. King, House Committee on Homeland Security  
Representative Bennie G. Thompson, House Committee on Homeland Security  
Chairman Susan M. Collins, Senate Committee on Homeland Security and Governmental Affairs  
Senator Joseph I. Lieberman, Senate Committee on Homeland Security and Governmental Affairs  
Chairman Don Young, House Committee on Transportation and Infrastructure  
Representative James L. Oberstar, House Committee on Transportation and Infrastructure  
Chairman Ted Stevens, Senate Committee on Commerce, Science and Transportation  
Co-Chairman Daniel K. Inouye, Senate Committee on Commerce, Science and Transportation