

March 3, 2006

Press Release | Contact: Kristie Greco (202) 225-6416

WASHINGTON, DC—U.S. Rep. DeFazio (D-Springfield) and nine other members of the House Aviation Subcommittee today expressed concerns about recent decisions by the administration to encourage and allow foreign ownership of U.S. infrastructure and industries that are critical to our national security.

In a letter to the President Bush, Rep. Peter DeFazio and nine other members of the House Aviation Subcommittee urged the administration to reconsider allowing Dubai Ports World to take over operations at six U.S. ports, and to drop a proposed rule change which would allow U.S. airlines to be controlled by foreign investors. Foreign government ownership of port operations and U.S. airlines poses a security risk for the country.

“I’m pleased there’s been so much attention on the ports issue recently, but people need to be aware that the administration is attempting to allow foreign governments and interests to control other important U.S. industries like the airlines as well. These policies put commercial interests and corporate profits above national security,” DeFazio said.

The letter was signed by Reps. DeFazio, Costello, Holden, Brown, Johnson, Pascrell, Capuano, Carnahan, Berkely and Norton. The text of the letter follows.



Congress of the United States
House of Representatives

The Honorable George W. Bush
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

We are writing to express concern about recent decisions your administration has made to encourage and allow foreign ownership of U.S. infrastructure and industries that are critical to our national security.

We've had ongoing concerns about the lack of investment in port security, the Coast Guard, and Customs and Border Protection (CBP). Although CBP analyzes cargo manifests prior to their arrival in the U.S., only a small fraction of the more than nine million marine containers that enter U.S. ports each year are physically inspected.

This is particularly problematic in light of your administration's decision to allow the state-controlled Dubai Ports World from the UAE to control operations at six American ports. Our national security depends on protecting our nation's ports and ensuring the cargo traveling through them is secure.

Foreign government ownership of port operations poses a security risk. It also helps perpetuate the deindustrialization of America and the selling off of U.S. assets to foreign investors. That poses an economic and a national security risk.

Unfortunately, port operations are not the only thing your administration is trying to turn over to foreign ownership. Contrary to congressional intent, your administration is trying to give foreigners a controlling interest in U.S. airlines.

The Department of Transportation's (DOT) November 7, 2005, Notice of Proposed Rulemaking (NPRM) will change longstanding policies prohibiting foreign interests from exercising "actual control" over U.S. airlines.

The proposed change would result in U.S. citizens only having to have "actual control" over safety and security decisions. Economic decisions, day to day operations, market strategy and purchase of aircraft could be controlled by foreign officials. It is impossible, however, to isolate safety and security from the financial, commercial and management decisions that foreign investors would be allowed to control. This proposal by DOT poses similar security questions as the port ownership actions.

We strongly urge your administration to reconsider allowing Dubai Ports World to take over operations at six U.S. ports. We also urge you, in the strongest possible terms, to drop DOT's proposed NPRM that would allow U.S. airlines to be controlled by foreign investors.

Your administration needs to re-evaluate your actions in terms of allowing U.S. assets and security to be sold off to the highest foreign bidder. If you fail to do so, then we will do what we can to legislatively reverse these shortsighted proposals and protect U.S. economic and national security interests.

Sincerely,

/s/

Members of Congress