

REMARKS OF THE HON. ADAM H. PUTNAM

FINANCIAL SERVICES COMMITTEE HEARING on
COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES (CFIUS),
ONE YEAR AFTER DUBAI PORTS WORLD

WITNESSES: Honorable Clay Lowery, Assistant Secretary, U.S. Department of the Treasury, Honorable Steve Bartlett, President and CEO, Financial Services Roundtable, Mr. Todd M. Malan, President and CEO, Organization for International Investment (OFII), Mr. Michael O'Hanlon, Senior Fellow, Foreign Policy Program, Brookings Institution, Mr. David Marchick, Partner, Covington and Burling, LLP, Mr. Robert Nichols, President and COO, Financial Services Forum, Mr. David Heyman, Director, Homeland Security Program, Center for Strategic & International Studies (CSIS)

February 7, 2007

Mr. Chairman, Ranking Member Bachus, I am pleased to join with you and my colleagues today to hear testimony regarding foreign investment and the Committee on Foreign Investment in the United States (CFIUS). It has been almost a year now since the proposed deal that would have allowed Dubai Ports World (DPW) in the United Arab Emirates (UAE) to manage port operations in six U.S. cities took place.

While global competitiveness helps spur our economy, we as a Congress cannot fail to assess potential risks that may result from global transactions. In a post-September 11th world, our national security must remain of vital interest and top priority when it comes to the operations and security of our nation's ports and borders.

Congress took serious note and recognized the essential oversight role that lapsed during the Dubai Ports World (DPW) transaction. The House took action, and on July 28, 2006, by a unanimous vote (424-0), we worked together to maintain a preservation of our national security during approval process for foreign investments in the United States.

Reaffirming the “Byrd Rule” the House passed bipartisan legislation that brought light to flaws in the CFIUS process, without impeding job growth or economic expansion.

Practical oversight of such transactions should be of concern not only to our everyday commerce, but to American citizens as well. Balancing our nation’s homeland security and business environment with the global economy was the right measure for Congress to take.

As we move forward in the 110th Congress addressing this important issue, it is my hope that we can again pass legislation that brings transparency to the foreign investment process and that dually protects our national security, while still promoting an innovative economy and securing the global marketplace.

I welcome and look forward to hearing the testimony today from our distinguished guests. Thank you Mr. Chairman.