
Congressman Spencer Bachus, Ranking Member, House Financial Services Committee Opening Statement at the Hearing on "Committee on Foreign Investment in the United States (CFIUS), One Year After Dubai Ports World"

February 7, 2007

Chairman Frank, thank you for scheduling this important hearing. Let me also thank Representative Maloney for introducing her bill (H. R. 556) so early in the 110th Congress, and Representative Deborah Pryce for serving as an original cosponsor.

Chairman Frank and I are also original cosponsors of H. R. 556, which is identical to legislation that passed the House by a margin of 424 - 0 last year.

Reform of the nation's foreign investment vetting process became an issue last year when the Committee on Foreign Investment in the United States (CFIUS) received criticism for failing to question the safety and security implications stemming from Dubai Ports World's purchase of commercial operations at several American ports.

Mr. Chairman, the key issues we face transcend Dubai Ports World or CFIUS. H.R. 556 meets our challenges by advancing three important objectives.

The first objective is to encourage opportunities for foreign investment in our economy. The surest way to ensure America remains strong and secure is to strengthen our economy and maintain global competitiveness. While we should never underestimate the threat to U. S. interests from economic espionage or from critical technologies falling into the wrong hands, we must also recognize that discouraging foreign investment or otherwise restricting global capital flows poses a serious threat to our economic security and prosperity as well. The welcome mat for foreign investment must be out.

The second objective is transparency. Many Members of Congress learned of the Dubai Ports World situation from newspapers. This bill will ensure that, as a matter of policy, CFIUS keeps Congress informed.

Third, we need empowerment of experts best qualified to assess national security issues. To that end, this bill ensures that the Director of National Intelligence can provide important and timely input to CFIUS based on the most current intelligence available, and guarantees that the Department of Homeland Security will be a full participant in the process.

Mr. Chairman, the world is a lot different than it was back in 1975, when President Ford first created CFIUS, and it is far

different than 1988, when the outline of the current review process was established. Terrorism requires us to exercise increased vigilance, while the demands of a global economy necessitate that America compete aggressively for foreign investment capital.

The siren song of protectionism is one that must be resisted if we are serious about maintaining America's competitive standing in the world. This bill modernizes the way CFIUS does business, ensuring that both our security and economic needs are met.

Once again, I congratulate the sponsors of H.R. 556, and I look forward to working with them to move this legislation through our Committee and to the House floor expeditiously.

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