



For Immediate Release: March 3, 2006

Congressman John Barrow Calls for Release of Records on All Foreign Investment Security Investigations Since September 11th, 2001

*Georgia Congressman and Ranking Member of the Homeland Security Committee call
on Secretary of the Treasury John Snow to release all records related to CFIUS
investigations conducted since the 9/11 attacks on America*

Washington, DC – Responding to increasing evidence of the Treasury Department’s sloppy oversight of foreign investment into businesses and industries critical to American homeland security and military defense, 12th District Georgia Congressman John Barrow and the Ranking Member of the Homeland Security Committee today called on the Treasury Department to release all records related to Committee on Foreign Investment in the United States (CFIUS) investigations conducted since September 11th, 2001.

In a letter to Treasury Secretary John Snow, Barrow expressed his “concerns that oversight of foreign investment in the United States – especially investment that could affect our national security – is not undergoing the thorough investigation process conceived under the Exon-Florio statute and required in our post-September 11th world.” The Exon-Florio statute specifically gives the President authority to block certain types of foreign investment in the United States. According to the Washington Post, only 1 out of 1,500 acquisitions referred to the Treasury Department for review was prohibited since the statute was enacted.

If released, these records would include information about the recently announced security investigation into Dubai International Capital’s pending acquisition of Doncasters Group, Ltd., which owns and operates a plant in Rincon, Georgia, that makes parts for some of the country’s military aircraft and tank engines. Dubai International Capital is a state-owned company controlled by the United Arab Emirate's ruling al-Maktoum family.

“The only reason Congress and the American people now know anything about the Doncaster investigation is because the Port deal embarrassed a Treasury Department that’s been asleep on the job,” Barrow said. “The announcement of this most recent investigation into Dubai International is nothing more than a public relations response to a public relations fiasco.”

“These records will show just how many similar deals were rubberstamped without adequate security investigations,” Barrow continued. “Hopefully, shedding a little sunlight on what has been a closed door process will get the Treasury Department to focus on the job they’re required by law to do. If not, CFIUS responsibility needs to be given to a Department or a Committee that’s capable of getting the job done.”

Barrow believes that Congress ought to require that all relevant committees, along with members whose districts are directly affected by such proposed transactions, be notified and briefed about any CFIUS reviews that are being conducted.

The letter to Secretary Snow was co-signed by Rep. Bennie Thompson, the Ranking Member of the Homeland Security Committee; Rep. Zoe Lofgren, Ranking Member of the Subcommittee on Intelligence, Information Sharing, and Terrorism Risk Assessment; and Rep. Carolyn Maloney, Ranking Member of the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology. Below is the full text of the letter Congressman Barrow signed and sent to Treasury Secretary John Snow yesterday afternoon:

March 2, 2006

Secretary John Snow
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Snow:

The controversy over recent events surrounding the decision by the Committee on Foreign Investment in the United States (CFIUS) to allow the transaction between Dubai Ports World (DPW) and the Peninsular and Oriental Steam Navigation Company (P&O) has brought a much needed public discussion of the CFIUS process. We have concerns that oversight of foreign investment in the United States – especially investment that could affect our national security – is not undergoing the thorough investigation process conceived under the Exon-Florio statute and required in our post-September 11th world.

In accord with 50 U.S.C. App. 2170(c), we ask that you please provide all information or documentary material for all CFIUS decisions since September 11, 2001, including any pending actions before the Committee. Specifically, the materials should include the companies involved, government ownership, and the disposition of the matter. While it is unnecessary to provide entire case files at this time, we reserve the right to request supplemental materials based on our review of the documents provided. Please also include copies of all assurances letters submitted to interested companies by any federal agency, and any documentation that indicates compliance with these agreements.

Furthermore, according to 50 U.S.C. App. 2170(k), the Committee is to provide to Congress a quadrennial report which evaluates whether there is credible evidence of a coordinated strategy by one or more countries or companies to acquire United States companies involved in research, development, or production of critical technologies for which the United States is a leading producer; and evaluates whether there are industrial espionage activities directed or directly assisted by foreign governments against private United States companies aimed at obtaining commercial secrets related to critical technologies. Please provide us with copies of these reports.

If you have any questions or concerns, please contact Jessica Herrera-Flanigan, Staff Director of the Homeland Security Committee Democratic Staff at (202) 226-2616. Thank you for your timely consideration of this request.

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