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Barrow Introduces New Legislation Calling for Greater Congressional Oversight of All CFIUS Investigations

Bill would require congressional notification for pending foreign acquisitions of American businesses; urges the President to transfer CFIUS Responsibilities from the Treasury Department to the Department of Homeland Security

Washington, DC – “Protecting America should be America’s business – and no one else’s.” That’s the message Georgia Congressman John Barrow (D-Savannah) delivered at a press conference held today at the United States Capitol.

One week after the Administration reported that an investigation was being launched into Dubai International Capital’s pending acquisition of Doncasters LTD, which owns U.S. plants that produce parts for military aircraft and tank engines, Barrow introduced new legislation, the *Protect America First Act*, that will, for the first time, provide for Congressional oversight of the process of reviewing foreign acquisitions of American businesses critical to national security and military defense.

This new investigation into the Dubai International Capital deal was announced after roughly two weeks of public outcry over the pending acquisition of management of six major U.S. ports by another UAE based company. One of the plants that could be acquired through the Dubai International deal is located in Rincon, Georgia, in the southern portion of Barrow’s 12th Congressional District.

“The only reason Congress and the American people know anything at all about this latest Dubai deal is because the Port deal embarrassed a Treasury Department that’s been asleep on the job,” Barrow said. “This most recent investigation is nothing more than a public relations response to a public relations fiasco. The only reason why we know anything at all about this is because they chose to tell us, and the only thing we know is what they chose to tell us. That’s too little, too late. It’s no excuse for what’s gone on in the past, and it’s no guarantee for the future.”

Joining Congressman Barrow at today’s press conference was Rep. Bennie Thompson (MS-02), Ranking Member of the Committee on Homeland Security.

“It has been made clear by the President’s lack of response to the recent port scandal that he has no intention of revising our nation’s flawed policies toward promoting foreign investment,” Thompson said. “Therefore it is up to Congress to perform the much needed

oversight of this process in order to protect our national security. The Committee on Foreign Investment in the United States is a broken system desperately in need of repair.”

In 1988, Congress passed the Exon-Florio provision of the Defense Production Act, which gave the President the authority to block pending foreign acquisitions of American businesses that he believes would compromise national security. The authority to administer the Exon-Florio statute was given to the Committee on Foreign Investment in the United States (CFIUS).

According to the Congressional Research Service, CFIUS has received over 1,500 notifications of foreign acquisition since 1988. Of those 1,500 notifications, only one transaction has ever been blocked by the President – in 1990.

Under current law, CFIUS investigations are kept confidential. The Committee does not provide Congress with security recommendations regarding investigated mergers, acquisitions, and takeovers. Congress is notified *only* if the President decides to suspend or prohibit the transaction.

“Rubber stamping these types of deals may have been business as usual before 9/11, but it shouldn’t be the way we do business after 9/11,” Barrow said. “It’s time to change the CFIUS process, bring it out from behind the closed doors of the Treasury Department, and put Congress on the spot by requiring that notice be given of what’s going on.”

The *Protect America First Act* would change current law by requiring that CFIUS notify appropriate members of Congress about pending foreign investments. It also requires that CFIUS notify those Members within one day of deciding to launch a security investigation.

Barrow’s bill also calls on the President to move CFIUS responsibilities from the Treasury Department to the Department of Homeland Security. CFIUS would then be chaired by the Secretary of Homeland Security, rather than the Secretary of the Treasury.

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Contacts

Congressman John Barrow: Harper Lawson, (202) 225-2823
Congressman Bennie Thompson: Dena Graziano, (202) 226-2623