



THE WHITE HOUSE
PRESIDENT
GEORGE W. BUSH



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Fact Sheet: DP World: Myth Vs. Fact

MYTH: The Bush Administration is outsourcing the security of our ports to a company owned by the Government of Dubai in the United Arab Emirates (UAE).

FACT: The United States government is in charge of U.S. port security. We will never outsource the security of our ports. The U.S. Coast Guard and Customs and Border Protection are in charge of security of our ports.

MYTH: UAE is a haven for terrorists and allowing a UAE-owned company to control our ports will endanger our national security.

FACT: UAE is a friend and ally of the United States, a partner in the Global War on Terror, and a strong partner in global port security. Partners like the UAE are siding with the international community in the fight against terror. The UAE has been very helpful in the fight against terrorism, especially intelligence sharing and cutting off terrorist financing. The UAE has worked with us to stop terrorist financing and money laundering, including by freezing accounts, enacting aggressive anti-money-laundering and counter-terrorist-financing laws and regulations, and exchanging information on people and entities suspected of being involved in these activities. The UAE has a world class carrier port, and we have more U.S. Navy ships in UAE ports than in any other port outside the United States. The UAE services our ships while in port, refueling them, providing them with food and water, and doing small repairs, among other services. Dubai was the first Middle Eastern entity to join the Container Security Initiative - a multinational program to protect global trade from terrorism.

- **General Peter Pace, Chairman Of The Joint Chiefs of Staff:** "[T]he military-to-military relationship with the United Arab Emirates is superb. ... They've got airfields that they allow us to use, and their airspace, their logistics support. They've got a world-class air-to-air training facility that they let us use and cooperate with them in the training of our pilots. In everything that we have asked and work with them on, they have proven to be very, very solid partners." (U.S. Department Of Defense, Press Briefing, 2/21/06)
- **General Tommy Franks, Former CENTCOM Commander:** "I personally believe that we have had no greater ally in seeking a resolution of problems in the Middle East, the Palestinian issue, the Israeli issue, than we have found in the United Arab Emirates." (Fox News' "Hannity & Colmes," 2/22/06)

MYTH: This transaction will make it easier for terrorists to infiltrate America's ports.

FACT: America's ports will be just as secure after the DP World transaction as they were before. First, the workers unloading cargo at the Nation's ports will remain the same ones working today. Any management or other personnel from outside the country will still have to go through the normal visa application process, which includes a very rigorous vetting process that not only does systems checks, but also other background and fingerprint checks. Once in the United States, visa recipients are put through another set of checks to make sure no critical information has changed since the visa was issued. The visa process has been strengthened and improved by the Federal government since the terrorist attacks of September 11, 2001.

MYTH: Because DP World is a state-owned firm, a foreign country will own the ports of six major U.S. cities.

FACT: The ports will remain under the ownership and control of state and local authorities, not DP World. As a port operator, not owner, DP World will manage the physical equipment and movement of containers on and off of ships, not the security related to the shipped containers, which is the responsibility of U.S. Customs and Border Protection. As a result of the transaction, DP World will own and operate terminals at some U.S. ports, which means they will be responsible for physically operating the cranes that move cargo. Ports are publicly owned facilities, typically by State or local authorities. Like all port operators, foreign or domestic-owned, DP World will have to comply with Coast Guard and Customs security regulations. In addition to meeting all these standards, DP World has committed to additional security measures requested by the Department of Homeland Security and signed a letter of assurances making commitments to meet and maintain stringent security standards for the port terminals that they will operate in the United States.

MYTH: No foreign-state-owned firms operate terminals in U.S. ports.

FACT: Several terminal operating companies at U.S. ports are joint ventures or are owned by foreign-state-owned firms. The China Overseas Shipping Company (COSCO), a state-owned firm, has a joint operating agreement with a U.S. stevedoring company at Long Beach, California. Eagle Marine Services - which operates terminals in Seattle, Los Angeles, and Oakland - is owned in part by the government of Singapore. The Yang Ming Marine Transport Company - which operates terminals at Tacoma and Los Angeles - is owned, in part, by the Taiwanese.

MYTH: The CFIUS review process was merely a rubber stamp.

FACT: The CFIUS review process was a rigorous and thorough analysis of the national security implications of the transaction. Well before the transaction was publicly announced, both DP World and Peninsular and Oriental Steam Navigation Company (P&O), a British private company, contacted the Committee on Foreign Investment in the United States (CFIUS) on October 17, 2005, and notified the Committee that they intended to file for a national security review. In reviewing a foreign transaction, CFIUS brings together 12 Federal agencies, including the Department of Defense, the Department of Homeland Security, and the Department of Justice to consider transactions from a variety of perspectives and identify and analyze all national security issues. Each Federal agency conducts its own internal analysis, and in this case, the Departments of Transportation and Energy were also brought in to review the process.

On November 2, an intelligence assessment was requested and a little more than 30 days later, the intelligence community concluded that DP World's transaction does not pose a threat to the U.S. national security. This assessment was completed before CFIUS's official review began.

On December 16, the companies made their official filing with CFIUS that began the 30-day review process. During this 30-day period, the Department of Homeland Security negotiated an assurances letter with the companies. Roughly 90 days after first being approached about the transaction and 75 days after thorough review of the transaction began, the CFIUS members decided not to oppose the transaction, and the review closed on January 17. As with any CFIUS decision not to pursue further investigation, the decision was made by consensus. The review process requires any agency that sees a potential credible threat to the national security to raise those concerns.

MYTH: The Administration is ignoring the law.

FACT: Just as was the case under the first Bush and Clinton administrations, the CFIUS process has required a Federal agency to register a security concern before a further investigation can be launched. When there is a consensus of CFIUS members, the transaction does not proceed to an extended investigation. A Committee consensus means that no member saw any national security threat, or there were no unresolved national security concerns to prevent the transaction from going forward.

MYTH: This transaction is only now being made public.

FACT: DP World announced its intent to purchase P&O on November 29, 2005. Even before the official announcement, the press was reporting on the possible transaction as early as October 30. Between October 2005 and January 2006, there were at least 162 mentions of the transaction in the press.

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