

Congress of the United States

Washington, DC 20515

February 16, 2006

Secretary John W. Snow
Department of Treasury
1500 Pennsylvania Ave., NW
Washington, DC 20220

Dear Secretary Snow,

We are writing to express our concerns with the impending acquisition of Peninsular and Oriental Steamship Navigation Co. (P&O) by DP World, a company owned and controlled by the Government of Dubai, United Arab Emirates (UAE). This transaction will result in foreign government control of P&O Ports, North America (P&O subsidiary), the largest port operator on both the Eastern U.S. Coast and U.S. Gulf Coast. We are concerned that the Administration is not giving this case the appropriate level of scrutiny required by law and ask that you direct the Committee on Foreign Investment in the United States (CFIUS) to conduct a full 45-day investigation.

Federal law requires the President or his designee investigate the impact on national security of a foreign acquisition if the acquisition "could result in control of a person engaged in interstate commerce in the United States that could affect the national security of the United States." (50 USC App. §2170). The President has delegated this investigative authority to CIFIUS of which you are Chairman. We understand that CFIUS has chosen not to conduct a formal investigation.

The law further mandates one of several factors be considered in determining a threat to national security: "The control of domestic industries and commercial activity by foreign citizens as it affects the capability and capacity of the United States to meet the requirements of national security." Our country's maritime ports are critical to our national security, vital to our military capability, and essential to our economy. Some 95 percent of all goods imported to the U.S. arrive through our ports.

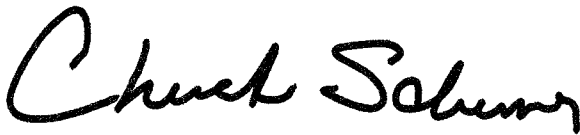
Most importantly, our ports are our most vulnerable targets for terrorist attack. Despite efforts to improve port security by the Administration, only one in 20 shipping containers entering the U.S. is physically inspected. A single terrorist incident could shut down our system of container transportation, affecting our entire economy, as well as facilities relied on by the Department of Defense as military load-out ports.

Dubai, which owns and controls the acquiring company in this case, has been named as a key transfer point for shipments of nuclear components that were shipped to Iran, North Korea, and Libya, which were sold by Pakistan's nuclear scientist A.Q. Khan. In addition, the UAE was one of only 3 countries (including Pakistan and Saudi Arabia) that recognized the Taliban as the legitimate government of Afghanistan.

According to the Congressional Research Service, many U.S. officials believed that al Qaeda activists have spent time in the UAE. In fact, two of the 9/11 hijackers were UAE nationals (Fayez Banihammad and Marwan al-Shehhi), and the Federal Bureau of Investigation claimed the money used for the attacks was transferred to the 9/11 hijackers primarily through the UAE's banking system. Furthermore, after the 9/11 attacks, your department complained of a lack of cooperation by the UAE and other Arab countries as the U.S. was trying to track down Osama bin Laden's bank accounts.

In light of these considerations, we expect CFIUS, as the President's designee, to undertake a complete and thorough investigation of this acquisition in accordance with Federal law. The National Commission on Terrorist Attacks Upon the United States (a.k.a., "the 9/11 Commission") found that on September 11, 2001, the "most important failure was one of imagination."

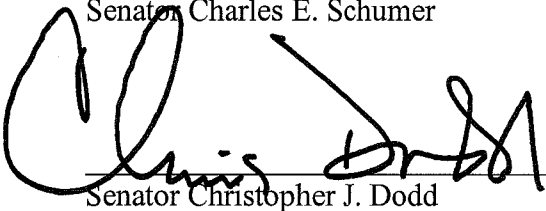
Sincerely,



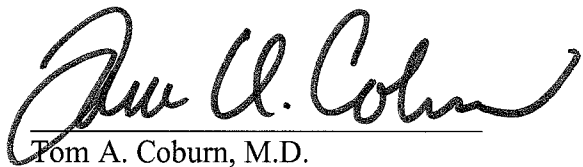
Senator Charles E. Schumer



Senator Frank R. Lautenberg



Senator Christopher J. Dodd



Tom A. Coburn, M.D.



Representative Christopher Shays



Representative Mark Foley



Representative Vito Fossella