

Interview With Reporters Aboard Air Force One February 21, 2006

The President. Thank you all for coming. A couple of points I want to make to you. First, I'm excited about the energy initiative. American people are beginning to see that we've made good progress on research and development. We've got more to do. We're close to some breakthroughs that will achieve an economic and national security objective.

And I've enjoyed traveling around and talking to these scientists and engineers that are really excited about how close we are to some technological breakthroughs. Today, talking to the two scientists involved with the cellulosic ethanol projects was exciting. These guys are pretty fired up about it all, and they realize we've got a chance to change our driving habits.

I do want to talk about this port issue. A foreign company manages some of our ports. They've entered into a transaction with another foreign company to manage our ports. This is a process that has been extensively reviewed, particularly from the point of view as to whether or not I can say to the American people, "This project will not jeopardize our security." It's been looked at by those who have been charged with the security of our country. And I believe the deal should go forward. This company operates all around the world. I have the list somewhere. We can get you the list. They're in Germany and elsewhere—Australia.

They—in working with our folks, they've agreed to make sure that their coordination with our security folks is good and solid. I really don't understand why it's okay for a British company to operate our ports but not a company from the Middle East, when our experts are convinced that port security is not an issue; that having worked with this company, they're convinced that these—they'll work with those who are in charge of the U.S. Government's responsi-

bility for securing the ports—they'll work hand in glove. I want to remind people that when we first put out the Container Security Initiative, the CSI, which was a new way to secure our ports, UAE was one of the first countries to sign up.

In other words, we're receiving goods from ports out of the UAE as well as where this company operates. And so I, after careful review of our Government, I believe the Government ought to go forward. And I want those who are questioning it to step up and explain why all of a sudden a Middle Eastern company is held to a different standard than a Great—British company. I'm trying to conduct foreign policy now by saying to people of the world, "We'll treat you fairly." And after careful scrutiny, we believe this deal is a legitimate deal that will not jeopardize the security of the country and, at the same time, send that signal that we're willing to treat people fairly.

Thirdly, I'm looking forward to my speech tomorrow about my trip to India and Pakistan. It's going to be an important trip, one where we'll work on a variety of issues with both countries—security, prosperity, and trade—working with India, of course, on energy security. It will be an important trip.

I'll answer some questions, and then we're getting ready to land.

Dubai Ports World/Homeland Security

Q. Mr. President, leaders in Congress, including Senator Frist, have said that they'll take action to stop the port control shift if you don't reverse course on it. You've expressed your thoughts here, but what do you say to those in Congress who plan to take legislative action?

The President. They ought to listen to what I have to say about this. They ought to look at the facts and understand the

consequences of what they're going to do. But if they pass a law, I'll deal with it, with a veto.

Crude Oil Supply/Middle East

Q. Mr. President, on energy and foreign policy, some Saudi officials have said they're unhappy with being targeted about Middle Eastern oil, saying that you wanted to reduce dependence on Middle East oil. You've got a close relationship with King Abdullah.

The President. I do.

Q. He's been to see you. Have you heard something directly, yourself, from the Saudis?

The President. No, I haven't talked to His Majesty, but if I did, I would say, I hope you can understand that the relationship between supply and demand is so tight that any disruption on the supply side of energy causes our prices to go up, and spiking prices hurts our economy. And secondly, there are parts of the world where people would—that don't agree with our policy, namely Iran, for example. And that it's not in our interest to be dependent, when it comes to our economic security, and for that matter, national security, in a market that is volatile. And so hopefully, he'll understand.

Q. So you don't think they should take offense at the comments about Middle Eastern oil?

The President. I would think that he would be understanding that new technologies will enable us to diversify away from our reliance upon crude oil. As a matter of fact, it's not only a message for the United States; that's also a message for India and China. In order for these growing economies to be able to be competitive, they're going to have to learn how to use technologies that will enable them to meet the needs of their people, but also the international demands of the world for good environment, for example. The Nuclear Energy Initiative I'll be talking to the Indians about is an important initiative.

Dubai Ports World/Homeland Security

Q. The understatement today, and one of the concerns of lawmakers, seems to be that they want more of a briefing, and they want more details about the things that you know that have given you confidence that there aren't any national security implications with the port deal. Are you willing to either have your staff or to give any kind of briefing to leaders of Congress—

The President. Look at the company's record, Jim [Jim VandeHei, Washington Post], and it's clear for everybody to see. We've looked at the ports in which they've operated. There is a standard process mandated by Congress that we go through called the CFIUS process. I'm not exactly sure if there's any national security concerns in briefing Congress. I just don't know. I can't answer your question.

Q. It seems like—you've already heard from different administration officials, saying, not in as strong terms as you have today, that there aren't problems with this deal, that the deal should go forward. But they seem to want more of a briefing. Would you be willing to give any additional briefings, either—

The President. We'll be glad to send—

Q. —either in a classified basis or—

The President. I don't see why not. Again, you're asking—I need to make sure I understand exactly what they're asking for.

Yes. Oh, you're not the press.

Counselor to the President Dan Bartlett. I could ask a question. You showed some strong leadership today—[laughter].

Q. Why is it so important to you, sir, that you take on this issue as a political fight? Clearly, there's bipartisan—

The President. I don't view it as a political fight. So do you want to start your question over? I view it as a good policy.

Q. Why is it—clearly—

The President. Are you talking about the energy issue?

Q. No, I'm sorry, the ports issue.

The President. It's not a political issue.

Q. But there clearly are members of your own party who will go to the mat against you on this.

The President. It's not a political issue.

Q. Why are you—to make this, to have this fight?

The President. I don't view it as a fight. I view it as me saying to people what I think is right, the right policy.

Q. What's the larger message that you're conveying by sticking to this UAE contract, by saying that you're not going to budge on this or you don't want to change policy?

The President. There is a process in place where we analyze—where the Government analyzes many, many business transactions to make sure they meet national security concerns. And I'm sure if you—careful review, this process yielded a result that said, yes, a deal should go forward.

One of my concerns, however, is mixed messages. And the message is, "It's okay for a British company, but a Middle Eastern company—maybe we ought not to deal the same way." It's a mixed message. You put interesting words in your question, but I just view—my job is to do what I think is right for the country. I don't intend to have a fight. If there's a fight, there is one but—nor do I view this as a political issue.

Q. I say it because you said you'd be willing to use the veto on it.

The President. I would. That's one of the tools the President has to indicate to the legislative branch his intentions. A veto doesn't mean fight or politics; it's just one of the tools I've got. I say veto, by the way, quite frequently in messages to Congress.

Palestinian Government/Hamas

Q. Mr. President, Israel is halting payments to the Palestinians—the tax monies. What do you think about that, and what is the next step?

The President. I'll just give you our Government's position, and that is, we have

said that—well, first of all, the U.S. Government doesn't give direct grants to Palestine. We go through the Palestinian Authority. We go through—we give grants through NGOs from our USAID to help people. But my statement still stands, that so long as Hamas does not recognize Israel's right to exist, my view is, we don't have a partner in peace and, therefore, shouldn't fund a government that is not a partner in peace. I thought the elections were important. I was one voice that said the elections should go forward on time.

But I recognized that, one, elections are the first step in many cases in evolution of a true democracy; and secondly, that elections show—give everybody a true look at how—what people are thinking on the street; and thirdly, though, that because the Palestinians spoke, doesn't necessarily mean we have to agree with the nature of—the party elected. And the party elected has said, "We're for the destruction of Israel." And our policy is, two states living side by side in peace. And therefore, it's hard to have a state living side by side in peace when your stated objective is the destruction of one of the states. So my policy still stands, what I said day one after the Hamas elections.

Medicare Reform

Q. Can I ask you about a domestic issue, the prescription drug benefit plan? A lot of Democrats are on recess, and they want to make a big campaign issue out of this this year. What makes you think that the problems that this program being rolled out has had are something other than just the glitches that you've described?

The President. I'm glad that they're making this an issue. This is—the reforms that we passed in the Medicare law were necessary and are going to change people's lives in a positive way. And I look forward to talking about this issue next fall, if that's one of the issues they want to talk about, because I understand the impact that this

law is going to have on seniors. And millions have signed up, and millions are realizing the benefit of this program. And so it's—we have done the right thing in passing this law. Seniors are given different options. Seniors are going to get an extraordinarily good drug benefit. We have helped modernize Medicare. And looking forward to talking about it.

Good.

Press Secretary Scott McClellan. Thank you all.

The President. Pleasant experience working with you all.

NOTE: The interview began at 2:42 p.m. en route from Golden, CO, to Andrews Air Force Base, MD. In his remarks, the President referred to King Abdallah bin Abd al-Aziz Al Saud of Saudi Arabia. A tape was not available for verification of the content of this interview.

Remarks on Dubai Ports World *February 21, 2006*

I've just come back from a really good trip to the Midwest and the West talking about our need to change how we use energy—very encouraged by the technology that I saw and inspired by the scientists and engineers that are working on these new technologies.

And I also want to address another issue I just talked to the press about on Air Force One, and that is this issue of a company out of the UAE purchasing the right to manage some ports in the United States from a British company. First of all, this is a private transaction. But it—according to law, the Government is required to make sure this transaction does not, in any way, jeopardize the security of the country. And so people responsible in our Government have reviewed this transaction.

The transaction should go forward, in my judgment. If there was any chance that this transaction would jeopardize the security of the United States, it would not go forward. The company has been cooperative with the United States Government. The company will not manage port security. The security of our ports will be—continue to be managed by the Coast Guard and Customs. The company is from a country that has been cooperative in the war on terror,

been an ally in the war on terror. The company operates ports in different countries around the world, ports from which cargo has been sent to the United States on a regular basis.

I think it sends a terrible signal to friends around the world that it's okay for a company from one country to manage the port but not a country that plays by the rules and has got a good track record from another part of the world, can't manage the port.

And so, look, I can understand why some in Congress have raised questions about whether or not our country will be less secure as a result of this transaction. But they need to know that our Government has looked at this issue and looked at it carefully. Again, I repeat, if there was any question as to whether or not this country would be less safe as a result of the transaction, it wouldn't go forward. But I also want to repeat something again, and that is, this is a company that has played by the rules, that has been cooperative with the United States, a country that's an ally in the war on terror, and it would send a terrible signal to friends and allies not to let this transaction go through.