

109TH CONGRESS  
2D SESSION

# H. R. 4807

To require an investigation under the Defense Production Act of 1950 of the acquisition by Dubai Ports World of the Peninsular and Oriental Steam Navigation Company, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2006

Mr. KING of New York (for himself, Mr. ADERHOLT, Mr. BACHUS, Mr. BARROW, Mr. BERRY, Mr. BILIRAKIS, Mr. BOSWELL, Mr. BRADLEY of New Hampshire, Mr. BROWN of South Carolina, Mr. BROWN of Ohio, Ms. GINNY BROWN-WAITE of Florida, Mr. CAPUANO, Mr. CLEAVER, Mr. COLE of Oklahoma, Mr. CUMMINGS, Mrs. JO ANN DAVIS of Virginia, Mr. DAVIS of Florida, Mr. DEFazio, Ms. DELAURO, Mr. DICKS, Mr. DOOLITTLE, Mr. FRANK of Massachusetts, Mr. GARRETT of New Jersey, Mr. GIBBONS, Mr. GOHMERT, Mr. GORDON, Mr. GENE GREEN of Texas, Mr. AL GREEN of Texas, Ms. HARMAN, Ms. HERSETH, Mr. HOLT, Ms. HOOLEY, Ms. JACKSON-LEE of Texas, Mr. JINDAL, Mr. SAM JOHNSON of Texas, Mr. KENNEDY of Rhode Island, Mr. KING of Iowa, Mr. LANGEVIN, Mr. LANTOS, Mr. LARSON of Connecticut, Mr. LOBIONDO, Mrs. LOWEY, Mr. LYNCH, Mr. MARKEY, Mr. MARSHALL, Ms. MATSUI, Mrs. MCCARTHY, Mr. MCCAUL of Texas, Mr. MCCOTTER, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. McNULTY, Mr. MEEK of Florida, Mr. MICHAUD, Mr. NADLER, Mr. NEY, Mr. ORTIZ, Mr. PALLONE, Mr. PASCRELL, Mr. PENCE, Mr. PLATTS, Mr. POMEROY, Mr. RAMSTAD, Mr. REICHERT, Mr. REYNOLDS, Mr. ROTHMAN, Mr. RUPPERSBERGER, Mr. SHAYS, Mr. SIMMONS, Mr. SMITH of New Jersey, Mr. SOUDER, Mr. SWEENEY, Mr. TANCREDO, Mr. THOMPSON of Mississippi, Mr. TIBERI, Mr. UDALL of New Mexico, Mr. VAN HOLLEN, Ms. WASSERMAN SCHULTZ, Mr. WELDON of Pennsylvania, Mr. WESTMORELAND, and Mr. WOLF) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Energy and Commerce, International Relations, and Homeland Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

# A BILL

To require an investigation under the Defense Production Act of 1950 of the acquisition by Dubai Ports World of the Peninsular and Oriental Steam Navigation Company, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Foreign Investment  
5 Security Improvement Act of 2006”.

6 **SEC. 2. INVESTIGATION UNDER DEFENSE PRODUCTION**  
7 **ACT OF 1950.**

8       (a) INVESTIGATION.—

9           (1) IN GENERAL.—Notwithstanding any other  
10 provision of law, the President or the President’s  
11 designee shall conduct an investigation, under sec-  
12 tion 721(b) of the Defense Production Act of 1950  
13 (50 U.S.C. App. 2170(b)), of the acquisition by  
14 Dubai Ports World, an entity owned or controlled by  
15 the Emirate of Dubai, of the Peninsular and Ori-  
16 ental Steam Navigation Company, a company that is  
17 a national of the United Kingdom, with respect to  
18 which written notification was submitted to the  
19 Committee on Foreign Investment in the United  
20 States on December 15, 2005. Such investigation

1 shall be completed not later than 45 days after the  
2 date of the enactment of this Act.

3 (2) SUSPENSION OF EXISTING DECISION.—The  
4 President shall suspend any decision by the Presi-  
5 dent or the President’s designee pursuant to section  
6 721 of the Defense Production Act of 1950 (50  
7 U.S.C. App. 2170) with respect to the acquisition  
8 described in paragraph (1) that was made before the  
9 completion of the investigation described in para-  
10 graph (1), including any such decision made before  
11 the date of the enactment of this Act.

12 (b) REQUIREMENTS FOR INVESTIGATION.—The in-  
13 vestigation under subsection (a) shall include—

14 (1) a review of foreign port assessments con-  
15 ducted under section 70108 of title 46, United  
16 States Code, of ports at which Dubai Ports World  
17 carries out operations;

18 (2) background checks of appropriate officers  
19 and security personnel of Dubai Ports World;

20 (3) an evaluation of the impact on port security  
21 in the United States by reason of control by Dubai  
22 Ports World of operations at the United States ports  
23 affected by the acquisition described in subsection  
24 (a); and

1           (4) an evaluation of the impact on the national  
2 security of the United States by reason of control by  
3 Dubai Ports World of operations at the United  
4 States ports affected by the acquisition described in  
5 subsection (a), to be carried out in consultation with  
6 the Secretary of Homeland Security, the Com-  
7 mandant of the Coast Guard, the Commissioner of  
8 the Bureau of Customs and Border Protection, the  
9 heads of other relevant Federal departments and  
10 agencies, and relevant State and local officials re-  
11 sponsible for port security at such United States  
12 ports.

13           (c) RESPONSIBILITIES OF THE SECRETARY OF  
14 HOMELAND SECURITY.—

15           (1) IN GENERAL.—The Secretary of Homeland  
16 Security shall provide the following information for  
17 the investigation conducted pursuant to this section:

18                   (A) Any relevant information on Dubai  
19 Ports World from the Automated Targeting  
20 System maintained by U.S. Customs and Bor-  
21 der Protection.

22                   (B) Port assessments at foreign seaports  
23 where Dubai Ports World operates, to be con-  
24 ducted as part of the review for the Container  
25 Security Initiative, a U.S. Customs and Border

1 Protection program designed to target and  
2 screen cargo at overseas ports.

3 (C) Copies of the completed validations  
4 conducted through the Customs-Trade Partner-  
5 ship Against Terrorism program by U.S. Cus-  
6 toms and Border Protection.

7 (D) Any additional intelligence information  
8 held by the Department of Homeland Security,  
9 including the Office of Intelligence and Anal-  
10 ysis.

11 (2) ADDITIONAL RESPONSIBILITIES.—The in-  
12 formation required by paragraph (1) shall not be  
13 construed as limiting the responsibilities of the Sec-  
14 retary of Homeland Security in the investigation  
15 conducted pursuant to this section.

16 (d) REPORT.—Not later than 15 days after the date  
17 on which the investigation conducted pursuant to this sec-  
18 tion is completed, the President shall submit to Congress  
19 a report that—

20 (1) contains the findings of the investigation,  
21 including—

22 (A) an analysis of the national security  
23 concerns reviewed under the investigation; and

24 (B) a description of any assurances pro-  
25 vided to the Federal Government by the appli-

1           cant and the effect of such assurances on the  
2           national security of the United States; and

3           (2) contains the determination of the President  
4           of whether or not the President will take action  
5           under section 721(d) of the Defense Production Act  
6           of 1950 (50 U.S.C. App. 2170(d)) pursuant to the  
7           investigation.

8           (e) CONGRESSIONAL BRIEFING.—

9           (1) IN GENERAL.—Not later than the date on  
10          which the report described in subsection (d) is sub-  
11          mitted to Congress pursuant to such subsection, the  
12          President or the President's designee shall provide  
13          to the Members of Congress specified in paragraph  
14          (2) a detailed briefing on the contents of the report.

15          (2) MEMBERS OF CONGRESS.—The Members of  
16          Congress specified in this paragraph are the fol-  
17          lowing:

18                 (A) The majority leader and minority lead-  
19                 er of the Senate.

20                 (B) The Speaker and minority leader of  
21                 the House of Representatives.

22                 (C) The Chairman and Ranking Member  
23                 of the Committee on Banking, Housing, and  
24                 Urban Affairs, the Committee on Finance, and

1 the Committee on Homeland Security and Gov-  
2 ernmental Affairs of the Senate.

3 (D) The Chairman and Ranking Member  
4 of the Committee on Financial Services, the  
5 Committee on Homeland Security, and the  
6 Committee on Ways and Means of the House of  
7 Representatives.

8 (E) Each Member of Congress who rep-  
9 represents a State or district in which a United  
10 States port affected by the acquisition described  
11 in subsection (a) is located.

12 **SEC. 3. CONGRESSIONAL ACTION.**

13 (a) IN GENERAL.—If the determination of the Presi-  
14 dent contained in the report submitted to Congress pursu-  
15 ant to section 2(d) of this Act is that the President will  
16 not take action under section 721(d) of the Defense Pro-  
17 duction Act of 1950 (50 U.S.C. App. 2170(d)) and not  
18 later than 30 days after the date on which Congress re-  
19 ceives the report, a joint resolution described in subsection  
20 (b) is enacted into law, then the President shall take such  
21 action under section 721(d) of the Defense Production Act  
22 of 1950 as is necessary to prohibit the acquisition de-  
23 scribed in section 2(a), including, if such acquisition has  
24 been completed, directing the Attorney General to seek di-

1 vestment or other appropriate relief in the district courts  
2 of the United States.

3 (b) JOINT RESOLUTION DESCRIBED.—For purposes  
4 of subsection (a), the term “joint resolution” means a  
5 joint resolution of the Congress, the sole matter after the  
6 resolving clause of which is as follows: “That the Congress  
7 disapproves the determination of the President contained  
8 in the report submitted to Congress pursuant to section  
9 2(d) of the Foreign Investment Security Improvement Act  
10 of 2006 on \_\_\_\_\_.”, with the blank space being  
11 filled with the appropriate date.

12 (c) COMPUTATION OF REVIEW PERIOD.—In com-  
13 puting the 30-day period referred to in subsection (a),  
14 there shall be excluded any day described in section 154(b)  
15 of the Trade Act of 1974 (19 U.S.C. 2194(b)).

○