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**Opening Statement**  
**Subcommittee Chairwoman Sheila Jackson-Lee**  
Subcommittee on Transportation Security &  
Infrastructure Protection Hearing entitled "Foreign  
Ownership: Discussion of Challenges Posed by  
Foreign Ownership to Using Critical Infrastructure."  
**March 23, 2007**

I would like to take this opportunity to thank you all for joining us this morning so that we can begin our exploration of the topic of foreign ownership and how it intersects with national security.

A little over a year ago, Congress united to oppose the Administration's failure to

conduct adequate oversight when there was a proposal by Dubai Ports World to enter into a deal that would have put Dubai Ports in charge of managing many of our U.S. sea ports. The issue became of particular concern not because Dubai Ports was a foreign company, but because it was one that was controlled by a foreign government.

On the heels of September 11<sup>th</sup>, this deal raised well-deserved skepticism of how the United States monitors and evaluates foreign ownership of our critical infrastructure. Today, more than a year later, we continue to monitor this issue closely by holding this hearing and others that will explore the Department of Homeland Security's involvement with the Committee on Foreign Investment in the United States, or CFIUS as some call it.

Before 9/11, the CFIUS process was not a strong focus of many Americans. As we

know, this country relies on foreign investment. As a recent Congressional Research Service (CRS) publication indicates, foreign investment in the United States could top \$160 Billion dollars for 2006. Thus, while foreign investment is a great resource and indicator of our strength in the global economy, we must be vigilant that we do not compromise security. After 9/11, our outlook on foreign investment and especially ownership of critical infrastructure changed. Americans, including myself, began to wonder who's watching what foreign investment is being made in the U.S. and where is it being made.

I, like most Americans, whole-heartedly support capitalism and free trade, yet as events have shown, we need to pursue a vigorous oversight agenda, especially in the area of foreign investment in critical infrastructure. Dubai Ports taught us that we need not just focus in one area of

infrastructure, but we need to focus on all areas. As the Chairwoman of this Subcommittee which bears the term “infrastructure protection” in its title – I intend to do just that—evaluate how infrastructure is being protected to ensure its here and available when America needs it most.

As we all know, terrorists don’t signal or call ahead before they attack. We saw this in Madrid and London, amongst other horrible incidents. Terrorists are creative, especially in the ways in which they will attack us. It’s not inconceivable that a terrorist might not try and attack us with brute force, but simply by pressing a computer button or by crippling a key asset.

It is with this notion, that I, along with other members of this subcommittee, am seriously committed to protecting critical

infrastructure and understanding how the Administration is protecting our vital assets.

One example of how serious we are taking this role in this Committee is by supporting HR 556, Committee on Foreign Investment in the U.S. (CFIUS) Reform Bill. This bill provides needed reform by formalizing and streamlining the structure and duties of the Committee on Foreign Investment in the United States. I am happy to say that I voted to support this bill, along with more than 400 of my colleagues on both sides of the aisle.

This bill addresses many of the concerns raised about CFIUS, especially its current lack of transparency and oversight and Congressional reporting and accountability. This bill adds much clarity to a relatively murky process.

This bill rectifies concerns from the business community by formally establishing CFIUS, its membership, and time lines as to how and when a CFIUS review will be conducted. According to the Congressional Research Service's analysis of HR 556, the bill increases the role of congressional oversight by requiring greater reporting by CFIUS on its actions and allowing for a greater amount of detailed information about CFIUS' operations.

Today, we want to continue exploring the role that the Department of Homeland Security has with CFIUS and how it's accomplishing its goal of overall infrastructure protection. I look forward to the witnesses' testimony and learning about how the CFIUS process and the Department's role can be fortified while protecting the United States' interests in international commerce.