

109TH CONGRESS
2^D SESSION

S. 2341

To prohibit the merger, acquisition, or takeover of Peninsular and Oriental Steam Navigation Company by Dubai Ports World.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 28, 2006

Mr. DORGAN introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To prohibit the merger, acquisition, or takeover of Peninsular and Oriental Steam Navigation Company by Dubai Ports World.

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. FINDINGS.**

4 Congress makes the following findings:

5 (1) It is essential for the security of the United
6 States that United States maritime ports be pro-
7 tected against terrorist attacks.

8 (2) Most stevedoring operations at the ports in
9 New York, New Jersey, Philadelphia, Miami, Balti-
10 more, and New Orleans are controlled by a company

1 named P&O Ports, North America (hereafter in this
2 Act referred to as “P&O Ports”).

3 (3) P&O Ports is the United States subsidiary
4 of a British company named Peninsular and Ori-
5 ental Steam Navigation Company (hereafter in this
6 Act referred to as “P&O Company”).

7 (4) A company named Dubai Ports World is
8 seeking to acquire P&O Company.

9 (5) Dubai Ports World is partly owned and con-
10 trolled by the Government of the United Arab Emir-
11 ates.

12 (6) While the United Arab Emirates is in some
13 respects an ally of the United States, it has also had
14 recent ties to terrorist activities.

15 (7) Two of the hijackers involved in the events
16 of September 11, 2001, were from the United Arab
17 Emirates.

18 (8) According to the National Commission on
19 Terrorist Attacks Upon the United States (the 9-11
20 Commission), the banking system of the United
21 Arab Emirates was used to help finance the attacks
22 of September 11, 2001.

23 (9) The United Arab Emirates has also been a
24 way station for the trafficking of nuclear compo-

1 nents to state sponsors of terrorism, including Iran
2 and North Korea.

3 (10) In 1988, legislation was enacted adding
4 section 721 to the Defense Production Act of 1950
5 (50 U.S.C. 2170) (commonly known as the “Exon-
6 Florio provision”), which authorized the President to
7 investigate the impact of foreign acquisitions of
8 United States companies on national security and to
9 suspend or prohibit acquisitions that might threaten
10 national security.

11 (11) The President has delegated his investiga-
12 tive authority under the Exon-Florio provision to the
13 Committee on Foreign Investment in the United
14 States (CFIUS), which is chaired by the Secretary
15 of the Treasury.

16 (12) CFIUS approved the acquisition of P&O
17 Ports by Dubai Ports World without undertaking
18 the 45-day investigation of proposed transactions
19 that might affect the national security of the United
20 States that is required under the Exon-Florio provi-
21 sion (50 U.S.C. 2071(b)).

22 (13) In response to strong public and congress-
23 sional opposition to the impending acquisition,
24 Dubai Ports World has requested that CFIUS con-

1 duct a 45-day review of the national security impli-
2 cations of the transaction.

3 (14) In view of evidence already on record, it is
4 clear that the proposed acquisition of P&O Ports by
5 Dubai Ports World poses a serious threat to the na-
6 tional security of the United States.

7 **SEC. 2. PROHIBITION ON SALE OF P&O PORTS TO DUBAI**
8 **PORTS WORLD.**

9 Notwithstanding any other provision of law and any
10 prior action or decision by or on behalf of the President,
11 the President shall exercise the authority under section
12 721 of the Defense Production Act of 1950 (50 U.S.C.
13 App. 2170) to prohibit the merger, acquisition, or takeover
14 of P&O Ports by Dubai Ports World.

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