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## Ports 'sale' to Arabs creating strong backlash

By Joe Baker, Senior Editor

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Indignation and outrage are growing in the aftermath of an announcement that a company based in the United Arab Emirates will be permitted to manage half-a-dozen major U.S. ports. The \$6.8 billion, administration-backed deal is drawing mounting bi-partisan criticism and a lawsuit challenging the sale.

According to news reports, the ports involved are: Baltimore, Miami, New Orleans, New York, New Jersey and Philadelphia. Much more than ports are affected. Peninsular and Oriental Steam Navigation Company is the object of a takeover bid by DP World of Dubai. That would make the new firm the No. 3 company behind Hong Kong's Hutchison Whampoa Ltd., and Singapore's PSA International.

P&O says it is the largest "independent stevedore and terminal operator on the U.S. East and Gulf coasts with operations in most ports from Maine to Texas."

P&O Ports North America, for example, manages seven facilities in Texas—Beaumont, Corpus Christi, Freeport, Galveston, Houston City Docks and Houston Barbours Cut Terminal and Port Arthur. These ports have not been mentioned as part of the deal.

Shareholders of P&O, meeting Feb. 13, approved the sale to DP World and expects court approval by March 2. Neither company is commenting about the current uproar in the U.S., which may not be big enough or soon enough to prevent the sale from going through.

It was the Feb. 13 vote that touched off the hue and cry in this country as it was disclosed that the U.S. Treasury Department's Committee on Foreign Investment, under Exxon-Floria, approved the sale, claiming it has no effect on national security. The dozen people making the decision to sell are all Bush appointees and furnish no independent assessment.

Sen. Richard Shelby (R-Ala.) has called for further examination of the decision. Sen. Lindsay Graham (R-S.C.) appearing on Fox News last Sunday, said: "It's

unbelievably tone deaf politically at this point in our history.” Rep. Ileana Ros-Lentinen, R-Fla., who chairs a subcommittee on the Middle East, has called for a “full investigation.”

Peter Gadiel, who heads 9/11 Families for a Secure America, “thinks the President’s gone insane” because two of the 9/11 hijackers hailed from Dubai. He said many of the hijackers traveled through the UAE after the attacks. Officials of the U.S. Treasury Department said there was little cooperation from Dubai and other Arab nations when they tried to track Osama bin Laden’s bank accounts.

Continental Stevedoring & Terminals, Inc., in Miami is challenging the ports deal because it is forcing Continental to become an “involuntary partner” with the government of the United Arab Emirates, which owns the Dubai company. In addition, the lawsuit states the sale “may endanger the national security of the United States.”

Rep. Peter King (R-N.Y.) told the *Washington Post* that U.S. terms for the sale “don’t address the underlying conditions, which is how are they going to guard against things like infiltration by al-Qaeda or someone else; how are they going to guard against corruption?”

Administration spokesmen, like Michael Chertoff, the Homeland Security chairman, and Porter Goss, head of the CIA, have been appearing on television news magazine shows in an effort to defend the sale and the security aspects surrounding it.

Several Maryland lawmakers appeared dockside in Baltimore to blast the federal government’s action in approving the sale of hiring rights to an Arab country, the United Arab Emirates, that was thought to be a base for operations in connection with the attacks of 9/11.

Baltimore Mayor Martin O’Malley said: “I am calling upon President Bush to reverse the outrageous, the reckless, and the irresponsible decision to turn over American ports to foreign governments.”

William Hughes, a Baltimore attorney, said O’Malley is being silly and doesn’t know what he is talking about. Hughes said: “The critical point is that Dubai Ports World won’t be running the port of Baltimore, or any other U.S. port for that matter. What it would be doing, as ex-Rep. Helen Bentley (R-Md.), a respected expert on maritime matters, explained in a Feb. 18 letter to the *Baltimore Sun*, is hiring the longshoremen to load and unload the cargo from the vessels.”

Sen. Barbara Mikulski sent a letter to Treasury Secretary John Snow asking for a full investigation into the deal. “Our country’s ports are vital to our national security, military capability, and economy,” she said. “The administration has a

responsibility to ensure that foreign control over certain port operations is thoroughly scrutinized. The American public deserves no less.”

Dubai was surprised at the fierce reaction and broad concerns voiced in this country over the port deal and is moving cautiously in responding. The company sent advisers to reassure port officials on the East Coast. Its chief operating officer, respected American shipping executive Edward “Ted” Bilkey, will travel to Washington soon to meet with legislators on Capitol Hill and elsewhere.

The proposal to sell (hiring rights) to Dubai Ports World was “rigorously reviewed” by a U.S. committee that examines details and considers potential security threats where foreign companies seek to buy or invest in American industry, according to Frederick Jones, a spokesman for the National Security Council.

Stewart Baker, assistant secretary in the Homeland Security Department, told the AP: “We wanted to look at this one quite closely because it relates to ports. It is important to focus on this partner as opposed to just what part of the world they come from. We came to the conclusion that the transaction should not be halted.”

At least four senators and three members of the House have asked the Bush administration to reconsider its approval of the deal. The lawmakers contend the UAE is inconsistent in its support for the U.S. in its fight against terrorism. Rep. Mark Foley (R-Fla.) said: “The potential threat to our country is not imagined, it is real.”

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