



Port Sale Sparks Political Battle

President Bush is fighting members of his own party over concerns that the sale of a company that manages six major east coast seaports would jeopardize national security.

A British company, Peninsular and Oriental Steam Navigation, manages the day-to-day operation of seaports in New York, New Jersey, Philadelphia, Baltimore, Miami and New Orleans.

Last week, Dubai Ports World, a state-run business in the oil-rich nation of United Arab Emirates, acquired the British firm in a \$6.8 billion deal.

The deal was approved by a panel that includes representatives of the FBI, Pentagon, Treasury and Homeland Security departments, and the U.S. Coast Guard will continue to run security at the ports.

Security concerns

The arrangement triggered protests from lawmakers in both parties who expressed concerns because at least two of the 9/11 hijackers came from the United Arab Emirates, and others used it as a financial base.

“The bottom line is very simple, and that is that this company is owned by a country in which there have been significant nexus with terrorists,” said New York Democratic Senator Charles Schumer.

Democratic Senators Bob Menendez of New Jersey and Hillary Rodham Clinton of New York are sponsoring a bill that would block the sale of U.S. port operations to companies owned by foreign governments.

Among the lawmakers threatening to hold up the deal are members of the president’s own Republican Party, Senate Majority Leader Bill Frist of Tennessee, and House Speaker Dennis Hastert of Illinois.

Hastert said he is "concerned about the national security implications that this could have for the safety of the American people."

And Frist said, "If the administration cannot delay the process, I plan on introducing legislation to ensure that the deal is placed on hold until this decision gets a more thorough review."

Bush administration supports the deal

President Bush defended the deal, telling reporters that he would veto any bill to block the agreement.

"I don't understand why it's OK for a British company to operate our ports but not a company from the Middle East when we've already determined security is not an issue," Mr. Bush told reporters after Frist's statement.

Lawmakers need to "step up and explain why a Middle Eastern company is held to a different standard," he said.

Kim Petersen, executive director of the Maritime Security Council, which represents 70 percent of the world's ocean shipping said the security fears were political and feeding on "bigotry" against Arabs.

Response in the United Arab Emirates has been angry.

"Islamophobia is rising and has become like an infectious disease that spreads ... in the West," wrote columnist Rashid Saleh al-Oraimy in the daily paper, Gulf News.

"The issue of acquiring the British company that operates U.S. ports is a mere business matter and it has nothing to do with politics," he added.

Port security

The danger of terrorists shipping weapons in the millions of boxes traveling on boats to U.S. ports has long been an issue of concern for homeland security officials: currently only around 7 percent is checked by security.

"No question that the ports are one of the true vulnerabilities," said Jerry Hauer, former New York City chief of emergency management. "So little cargo is inspected that the likelihood of getting something through a port is very high."

Since the terrorist attacks on Sept. 11, 2001, the United States has spent \$18 billion to improve security at airports, but only \$560 million to help cities secure seaports, according to one congressional study.

But Homeland Security officials say they have increased the number of targeted spot checks at the nation's ports and deployed more sensors to detect chemical, biological and nuclear weapons.

The Dubai Ports World acquisition is scheduled to take effect March 2.