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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

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February 28, 2006

The Honorable Michael Chertoff
Secretary
U.S. Department of Homeland Security
Washington, DC 20528

Dear Secretary Chertoff:

In yesterday's briefing to our Committee on the Administration's review of the purchase of Peninsular and Oriental Steam Navigation Company (P&O) by Dubai Ports World (DP World), we learned of critical intelligence gaps that were identified in an assessment by the U.S. Coast Guard Intelligence Coordination Center. Accordingly, we request that you provide us with specific information as to whether and how these gaps have already been filled or will be filled through the 45-day investigation.


We have been told that the U.S. Coast Guard, through the Department of Homeland Security (DHS), and the entire Committee on Foreign Investment in the United States (CFIUS), raised no official objection to the DP World purchase of P&O. Yet, we were surprised to learn that serious concerns about intelligence gaps relating to the acquisition were raised along the way – gaps that had not been disclosed previously. The unclassified portion of the Coast Guard intelligence assessment that we released yesterday raises key questions relating to DP World's operations and personnel as well as the potential for foreign influence over the firm that could affect our nation's security. In response to questions as to what had been done to close these intelligence gaps, the briefers yesterday, including Assistant Secretary Stewart Baker, pointed to the letter of "assurances" secured from DP World. Through that letter, Mr. Baker said, DP World assured DHS that it would provide whatever information on personnel, operations, and foreign influence the government requested.

Yet a careful review of the "assurances letter" reveals that DP World is not, in fact, bound to provide the U.S. government with the information it would need to close the intelligence gaps the Coast Guard identified. The language is weak, stating that DP World need only take "reasonable steps" to assist law enforcement agencies – reasonable, as determined by DP World. Indeed, the assurances appear to amount to little more than a restatement of what the FBI or other law enforcement agency could gather anyway in the course of an investigation. In addition, the assurances include participation in programs – such the Customs-Trade Partnership Against Terrorism and the Container Security Initiative – that Dubai is already participating in.

Given the serious questions raised through our review of the Coast Guard intelligence assessment, we request copies of any other assessments or analysis completed by DHS entities of this transaction, including, but not limited to, Customs and Border Protection and the Office of Infrastructure Protection. We also request that you provide us with information regarding the role that the National Counter-Terrorism Center played and will play during the 45-day investigation.

Thank you for your response on this important matter. If you have any questions about this request, please have your staff contact Kathy Kraninger of the majority staff at 224-4751 or minority staff member Jason Yanussi at 224-2627.

Sincerely,



Susan M. Collins
Chairman



Joseph I. Lieberman
Ranking Member



Norm Coleman
Chairman
Permanent Subcommittee on
Investigations