

## Congress Daily

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### Foreign Investment Bill Slated For House Markup Next Week

The House Financial Services Committee next week will mark up legislation to strengthen the interagency process for reviewing proposed investments by foreign firms in the United States, Financial Services Chairman Frank announced today. The legislation, authored by Rep. Carolyn Maloney, D-N.Y., would add rigorous requirements for the review of those deals -- while aiming to give certainty to foreign investors that their proposed deals will not be held up by arbitrary or politically driven concerns. Frank said he hoped to have the bill, which has broad bipartisan support, on the House floor either next week or the week after Congress returns from the Presidents Day recess. "We will treat you and your money very nicely -- that is the message of this legislation," Frank said of foreign investors at a Financial Services panel hearing today.

Testifying at the hearing, Treasury Assistant Secretary Clay Lowery praised the Maloney bill and called it "balanced." But Lowery outlined two specific objections the Bush administration has with regard to the measure, while saying he hoped to work with lawmakers to change aspects of the legislation. He criticized the bill's requirement that only the top two officials at agencies which participate in the Committee on Foreign Investment in the United States may certify that a review is complete. Lowery noted that the administration has already implemented changes since last year's Dubai Ports World controversy to ensure that only Senate-confirmed political appointees may sign off on first-stage, 30-day investigations. Further requiring that certification be made only by Cabinet-level secretaries or deputy secretaries could result in clearance delays for pending cases, he argued. Lowery also objected to a provision that would make a second-stage, 45-day investigation mandatory for all CFIUS filings that involve a foreign-government owned entity. The longer stage investigation should be triggered only if a CFIUS member identifies a national security concern, he argued.

As a result of the publicity generated by the Dubai Ports World affair, filings to CFIUS from foreign firms seeking approval for their deals have increased dramatically. Such filings numbered 113 in 2006, a 73 percent increase over 2005, according to a January report from the **National Foundation for American Policy**, a free market think tank. The increased scrutiny also has led to a greater incidence of 45-day, second-stage investigations and more voluntary withdrawals of proposed offers, according to the study.

-- by Martin Vaughan