

July 18, 2006 OFTA a threat to U.S. port security

For Immediate Release

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Washington D.C. - Congressman John Murtha today said that U.S. port security would be threatened under a provision in a bill slated for a vote in Congress later this week.

The provision, in the Oman Free Trade Agreement, would grant any firm incorporated and operating in Oman the right to acquire and operate landside port activities within the United States. Included would be the operation and maintenance of docks, the loading and unloading of vessels directly to or from land, marine cargo handling, operation and maintenance of piers, waterfront terminal operations, and the transfer of cargo between vessels and trucks, trains, pipelines and wharves.

"These are the very activities Congress just insisted Dubai Ports World not control," Murtha said at a press conference. "Why? Because control of such facilities would expose the population centers near our major ports in New York, New Jersey, my home state of Pennsylvania, Florida, Texas, California and Washington to unnecessary risks. These are the very activities and facilities that, if sabotaged, could destroy aspects of vital U.S. infrastructure."

In addition, pathetic labor rights provisions in the legislation are bound to increase the worker abuse and resentment that provide fertile ground for extremist recruitment, Murtha said.

Joining Murtha at the press conference were Rep. Walter Jones (R-N.C.), senior Armed Services Committee member; Rep. Gene Taylor (D-Miss.), Armed Services Subcommittee ranking member; Rep. Mike Michaud (D-Maine), Veterans Affairs Subcommittee ranking member; and Rep. Linda Sanchez (D-Calif.), member of the Government Reform Subcommittee on National Security, Emerging Threats and International Relations.

Attached is the text of Congressman Murtha's remarks at the press conference.

Statement of Congressman Murtha on the Oman Free Trade Agreement

This week, Congress is being asked to vote on the Oman Free Trade Agreement - OFTA. The way I see it, this vote is not so much about trade as it is about protecting our national security from threat of terrorism against our nation and our people.

The OFTA poses new, unacceptable threats to our homeland security. U.S. trade negotiations buried in an Annex of OFTA a provision that undermines our ability to protect the security of U.S. ports.

If approved, OFTA would grant ANY firm incorporated and operating in Oman a "right of establishment" to acquire and operate landside port activities within the United States. This includes:

- * Operation and maintenance of docks
- * Loading and unloading of vessels directly to or from land
- * Marine cargo handling
- * Operation and maintenance of piers
- * Transfer of cargo between vessels and trucks, trains, pipelines, and wharves
- * Waterfront terminal operations

These are the very activities Congress just insisted Dubai Ports World not control. Why? Because control of such facilities would expose the population centers near our major ports in New York, New Jersey, my home state of Pennsylvania, Florida, Texas, California, and Washington to unnecessary risks. These are the very activities and facilities that, if sabotaged, could destroy aspects of vital U.S. infrastructure.

If this agreement goes into effect and Congress were to intervene to stop or limit the acquisition by an Oman-based company of a landside port services operation here, the United States could be dragged by that very company before a United Nations or World Bank foreign tribunal where that company could demand we compensate them for violating their Oman Free Trade Agreement right to acquire and operate port services here.

Now you might say - what does Oman have against us? I am not worried about the Sultan of Oman. I doubt he would consider it in his interest to drag the U.S. to a foreign tribunal. He has been very helpful in facilitating U.S. troop movements in the area. The problem is that under this agreement, ANY private investor or company operating in Oman can drag the U.S. government to one of these foreign tribunals.

And, Oman is a country that has been put on the Tier II watch list in the Bush Administration State Department's 2006 Trafficking in Human Persons report. This is a country that our own State Department has studied and reported does not have a system in place to carefully watch just who comes into that country - people who under this agreement would have a right to operate landside port operations within the US if they just set up a "front" office in Oman.

Under OFTA, this right to set up shop in our country applies not only to Omani firms - but to any firm incorporated and operating in Oman. So, if Dubai Ports World sets up in Oman and then attempts to acquire a U.S. ports operation and Congress intervenes, as we did this spring, OFTA would empower Dubai Ports World to drag the United States before a UN or World Bank tribunal to demand we compensate the firm with taxpayer dollars for the "future expected profits" they lost because we undermined their OFTA right to operate here!

OFTA supporters may wish this provision were not included, but it is. Now they claim that we should not worry because OFTA contains the standard "Essential Security" exception that can be raised as a defense during such a challenge. But, the Essential Security exception does NOT PREVENT or HALT an OFTA challenge. When Congress decides to halt an acquisition, OFTA would expose that action to challenge in a UN or World Bank tribunal and the Exception can only be raised as a defense. In such a challenge, it's the UN or World Bank tribunal of foreign jurists who get to decide if our

defense was acceptable.

Because the U.S. allows other foreign port-operating firms within the U.S., we can't claim simply that ANY foreign firm in our ports is a security threat. We must show a specific threat to convince the foreign tribunal. So, the best-case scenario is that we spend significant money and reveal national security secrets trying to convince a foreign tribunal that were justified in violating OFTA. This is not a gamble I am willing to take with our nation's national security.

As a matter of policy, it is unconscionable to knowingly agree to any trade agreement that contains obligations that limit our national security authority regarding sensitive infrastructure such as our ports.

It makes no sense to vote for a trade agreement that we KNOW limits homeland security authority with the HOPE that some foreign tribunal will deign to allow us to use a security exception to justify our violation so that we can break the agreement and have to pay millions of tax payers dollars in damages.

Finally, regarding the national security implications of this deal: Bizarrely, the White House has been trying to sell a line to Congress that passing this agreement will enhance our national security interests!

The Oman FTA, with its pathetic labor rights provisions, is bound to intensify the worker abuse and resentment that provide fertile grounds for extremist recruitment.

We all saw the New York Times expose last month: Since the US-Jordan Free Trade agreement went in to effect five years ago, the number of sweatshop clothing factories there has exploded. Between the years 2000 and 2005, Jordan's apparel exports to the U.S. soared 2,000 percent, reaching \$1.1 billion in 2005. These exports are made by "guest workers" from Pakistan, Bangladesh, and other poor countries, in hellish conditions.

Well, in Oman, over 70 percent of the private sector work force in made up of such "guest workers" with no rights. Now, the Bush Administration is trying to convince us that allowing the Chinese to set up sweatshops in Oman (where indentured Pakistani "guest workers" would toil at slave wages so Chinese firms can get duty-free U.S. access for clothes imports) will improve the United States' image and national security prospects. But this scenario is likely to send just the opposite message and perhaps generate greater hostility towards us.

So, I am urging my colleagues to oppose OFTA - for the homeland security threat that its ports provisions pose here at home and to prevent intensifying the guest worker threat to our national security that would result from the guest worker sweatshops this agreement would create in Oman.