

**Statement by Assistant Secretary of State  
for Near Eastern Affairs  
C. David Welch**

**House Financial Services Committee**

**March 1, 2006**

The United Arab Emirates (UAE) is a longstanding friend and ally of the United States, and a key partner in the Global War on Terror. Secretary Rice reiterated this during her February 22 visit to the UAE. The UAE provides U.S. and Coalition forces with critical support for our efforts in Iraq and Afghanistan, including unprecedented access to its ports and territory, overflight clearance, and other critical logistical assistance. As a moderate Arab state, the UAE has long supported the Israeli-Palestinian peace process and shares our goal of a stable economic, political and security environment in the Middle East.

The UAE actively cooperates with us on a host of nonproliferation and law enforcement issues. It has enacted aggressive counter-terrorist financing and antimoney-laundering laws, frozen accounts, and exchanged information with us on people and entities suspected of being involved in terrorist financing and proliferation activities.

The UAE provides substantial assistance to its friends around the world, including military and financial support to the Iraqi government, humanitarian relief for the people of Afghanistan, housing and hospitals for the Palestinian people, and \$100 million for victims of the Pakistan earthquake. The UAE was one of the first nations to offer financial aid to the U.S. after Hurricane Katrina struck the Gulf Coast, and provided one of the largest donations (\$100 million).

Importantly, the UAE is an established partner in protecting America's ports. Dubai's port was the first in the Middle East to join the Container Security Initiative (CSI). Under CSI, a team of U.S. Customs and Border Protection officers is permanently stationed inside Dubai's ports, where they work closely with Dubai Customs to screen containers bound for the United States. Dubai also was the first Middle Eastern port to join the Department of Energy's Megaports Initiative aimed at detecting and stopping illicit shipments of nuclear and other radioactive materials.

The purpose of the interagency CFIUS review process, in which the Department of State is an active participant, is to establish whether a transaction could affect national security. The fact that the UAE is a friend and ally of the United States did not, and will not, diminish the rigor of that process.

We are confident that the additional time now available will provide an opportunity to review the concerns expressed over this transaction and to confirm that it does not jeopardize in any way the national security of the United States.