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## Foreign ownership of U.S. terminals remains unknown

By Audrey Hudson  
THE WASHINGTON TIMES  
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Bush administration officials still don't have a comprehensive list of which foreign companies operate U.S. port terminals two weeks after a Dubai-owned company's pending purchase of operations in six major seaports sparked a political uproar.

But Homeland Security officials, who initially said there are about 850 terminals nationwide, now say there are 3,200 terminals, up to about 80 percent of which are operated by foreign companies and countries.

The U.S. Maritime Administration (MARAD), publicly held port authorities, and the Coast Guard, which oversees security, all maintain separate lists of who is operating what terminals and are still trying to consolidate the various lists.

"It's as clear as mud," one Homeland Security official said.

Countries operating U.S. terminals include China and Singapore. Foreign businesses include companies from Japan, South Korea, Taiwan, London and Denmark.

A bipartisan group of Capitol Hill, citing national security concerns, have expressed outrage over DP World's bid to manage 850 terminals at ports in New York, New Jersey, Baltimore, New Orleans, Miami and Philadelphia.

DP World, a state-owned operation from the United Arab Emirates, today officially completes its \$6.8 billion deal to purchase the terminals from London-based Peninsular & Oriental Steam Navigation Co.

The deal, which the White House is reviewing for a second time, will also allow DP World to run stevedoring operations, load and unload ships, in smaller ports in a total of ten states, from Texas to Maine, according to an Associated Press review.

The domination of U.S. port terminals by foreign companies and countries has resulted from the demise of the U.S. shipping industry, said shipping industry officials.

"Congress had a lot to do with it, but it was also because of a whole bunch of rules and policies and regulations that had unintended consequences that kept going and kept going, until there was nothing left of the industry," said Connecticut shipping consultant Don Frost.

The entire concept of cargo shipping since its inception in the 1940s was to get the cargo on and off ships quickly, which required immediate access to a berth.

"So the goal was to control the berth whether through an outright purchase of the terminal or building, or to lease on an exclusive basis, and therein lies the problem -- carriers want control, and there are no more U.S. flag container carriers," Mr. Frost said. "U.S. carriers don't exist, so there is no reason for the U.S. to have leases on any terminals."

Some U.S. companies still operate ports and often work in partnership with foreign entities to run their ports.

China Ocean Shipping Co., for example, contracts with SSA Marines of Seattle to operate terminals it leases in Long Beach, Calif. The company is owned by the Chinese Army, which also controls Hutchison Port Holdings of Hong Kong, which operates the Panama Canal.

U.S. flag ships are still operated by a Danish company and the government of Singapore, but there has not been a U.S. flag carrier on the open seas since 1999.

The problems began with the 1936 Shipping Act, which set subsidies and locked companies into strict trade routes that restricted competition. The industry collapsed in the 1990s after Congress repealed a shipping industry tax break, Mr. Frost said.