

NATIONAL FOREIGN TRADE COUNCIL, INC.

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March 29, 2006

The Honorable Wayne A. Allard
United States Senate
521 Dirksen Senate Office Building
Washington, DC 20510-0606

Dear Senator Allard:

On behalf of the National Foreign Trade Council (NFTC), I am writing to urge your support for certain proposed amendments to the Discussion Draft bill to revise the national security review process of foreign investment by the Committee on Foreign Investment (CFIUS). These amendments aim to ensure that the CFIUS process remains focused on national security issues, is objective, fact-based, and timely, and does not have serious unintended consequences for US economic growth and jobs by unduly restricting or politicizing positive foreign investment transactions in the United States and/or setting back longstanding U.S. negotiating efforts to open markets globally.

Foreign investment in the United States, as well as US foreign investment abroad, is essential to U.S. economic and job growth and competitiveness. As the Chairman of the Senate Banking Committee underscored in today's Wall Street Journal, direct foreign investment in the United States was more than \$530 billion over the past three years. More than 5.3 million American jobs are tied to this investment. Moreover, millions of American jobs are directly related to US investment in foreign markets.

The NFTC is strongly opposed to provisions in the draft bill to mandate 45-day investigations related to "critical infrastructure" or extend by 30 days the review period absent any link to national security, overly burdensome congressional reporting requirements and broad interagency requirements, and a country ranking system that would adversely impact US foreign policy interests.

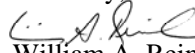
Along these lines, the NFTC urges your support for the following amendments:

1. Hagel/Sununu/Martinez Amendment No. 6.
2. Shelby/Sarbanes Amendments Numbered 1, 2, 3, 6, 8, 12 and 13.
3. Bunning Amendment No. 4.
4. Dodd Amendments Numbered 10, 11, 12, 14, and 15.
5. Sununu Amendment No. 3.

From similar reasons, we urge your opposition to the following amendments:

1. Shelby/Sarbanes Amendments Numbered 4, 5, and 9.
2. Schumer Amendments Numbered 7 and 8.
3. Menendez Amendments Numbered 16 and 17.
4. Dodd Amendment No. 9.

Again, we urge your support for a legislative outcome on CFIUS reform in line with the core objectives highlighted above and the recent set of principles to guide national security reviews of foreign investment which were endorsed by several US business organizations.

Sincerely,

William A. Reinsch