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THE SITUATION ROOM

WOLF BLITZER, CNN ANCHOR: It's almost 5:00 p.m. here in Washington, and you're in THE SITUATION ROOM, where news and information from around the world arrive at one place at the same time. President Bush offers an assurance over the deal to give management of six U.S. ports to a Middle Eastern company. If you're worried the deal will make you less safe, President Bush says fear not.

BLITZER: Back to our CNN "Security Watch" and the controversy over an Arab company running American ports -- critics of the deal cite security concerns. But some industry insiders say, that's misguided.

CNN's Mary Snow is joining us live now from Port Newark in New Jersey. She has got more on this story -- Mary.

MARY SNOW, CNN CORRESPONDENT: Well, Wolf, Dubai Ports World is set to take over about half of the operations at container terminals like this one here in Newark.

And some of those closest to the operations are not as critical when it comes to security issues. That's because officials here in New Jersey and New York say that they have an extra layer of security. And that is that they screen workers here. (BEGIN VIDEOTAPE)

SNOW (voice-over): Whether it's workers unloading cargo from ship containers or luggage handlers at cruise ships, the Waterfront Commission says, all of the estimated 6,500 workers must be screened before setting foot on New York and New Jersey's ports.

THOMAS DEMARIA, EXECUTIVE DIRECTOR, WATERFRONT COMMISSION: We are the gatekeeper, or the spigot, if you will.

SNOW: Thomas DeMaria is the executive director of the Waterfront Commission. It was set up in the 1950s to weed out mob corruption, and has since expanded to look for terrorist links.

(on camera): Have you had to reject any licenses because of any kind of alleged terrorism links?

DEMARIA: No. That hasn't come -- hasn't come before us.

SNOW: DeMaria says, workers, from longshoremen to company executives with business on the ports, have to go through background checks with the FBI, and be registered with the commission.

DEMARIA: There's no entity, whether they're Arab, or foreign, or domestic, or anyone, that is going to come in here and put additional workers on, without our permission. And every one of the workers that we do allow will be screened by us before they get registered.

SNOW: Shipping industry officials in New York reject fears that Dubai Ports World would dramatically change the way things are done.

EDWARD KELLY, EXECUTIVE DIRECTOR, MARITIME ASSOCIATION OF THE PORT OF NEW YORK AND NEW JERSEY: All of the labor comes from the union, the International Longshoreman's Association, which are people that live and work in your communities. They're local people.

SNOW: And veterans in the U.S. shipping industry say, fears about Dubai Ports World are misguided.

KIM PETERSEN, PRESIDENT, SEASECURE: The real problem is that we have -- we are -- we have spent less a billion dollars in security grants to the ports industry over the past several years. But we're spending almost \$20 billion on aviation security.

(END VIDEOTAPE)

SNOW: And officials here in New York and New Jersey also point out that any company would have to go by the rules set by the Coast Guards and Customs. And officials here in Newark also point out that containers leaving here all go through radiation monitors -- Wolf.

BLITZER: Mary, and rank-and-file workers that you have been speaking with at the port there, what are they saying to you?

SNOW: You know, Wolf, despite all the ways that officials are trying to ease fears about security, still, workers here say that they are concerned about security, that this is not a deal that they are feeling very comfortable with. And no matter what kind of screening processes are in place, they're not at ease about this deal.

BLITZER: Mary Snow in Newark, New Jersey -- thanks, Mary.