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## Pentagon Bars Three Nations From Iraq Bids

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### **C**orrection Appended

WASHINGTON, Dec. 9 — The Pentagon has barred French, German and Russian companies from competing for \$18.6 billion in contracts for the reconstruction of Iraq, saying it was acting to protect "the essential security interests of the United States."

The directive, issued Friday by Paul D. Wolfowitz, the deputy defense secretary, represents the most substantive retaliation to date by the Bush administration against American allies who opposed its decision to go to war in Iraq.

The administration had warned before the war that countries that did not join in an American-led coalition would not have a voice in decisions about the rebuilding of Iraq. But it had not previously made clear that companies in those countries would be excluded from competing for a share in the money for Iraq's reconstruction that the United States approved last month.

Those funds will pay for a total of 26 lucrative contracts for rebuilding Iraq's electricity, oil and water sectors and equipping its army.

Under the guidelines, only companies from the United States, Iraq and 61 countries designated "coalition partners" will be allowed to bid on the contracts. France, Germany and Russia are not on the list.

The document does not spell out a rationale for its claim that excluding those three countries was necessary to protect American national security interests. The guidelines do not affect subcontractors, the document makes clear, so companies that win contracts would be able to hire French, German or Russian firms to work in Iraq.

The document does say that the actions of the American-led force in rebuilding Iraq "are indispensable for national security and national defense purposes," and that allowing only members of the allied force to bid for the contracts was intended both as a reward and an incentive for further cooperation in the future.

Senator Joseph R. Biden Jr. of Delaware, the top Democrat on the Senate Foreign Relations Committee, issued a statement criticizing the Pentagon move as a "totally gratuitous slap" that "does nothing to protect our security interests and everything to alienate countries we need with us in Iraq."

A Republican congressman who recently returned from Iraq said in a telephone interview on Tuesday that it was a mistake to exclude particular countries from the

rebuilding effort.

"It strikes me that we should do whatever we can to draw in the French, the Germans, the Russians and others into the process," said the congressman, Representative Christopher Shays of Connecticut. "I would expect that most of the contracts would go to countries who have done the heavy lifting, but I wouldn't want to see any arbitrary effort to shut anyone out."

In a report that he issued on Tuesday with Representative Frank R. Wolf, Republican of Virginia, Mr. Shays said, "The administration should redouble efforts to internationalize the rebuilding of Iraq."

Nations whose companies are listed as eligible include Britain and Poland, whose troops joined American forces in the invasion and occupation of Iraq, as well Spain, Italy and other countries that have contributed troops to the American-led security effort. There are also nations whose support has been less evident, like Turkey, which allowed American aircraft to fly over its territory but which moved at the last minute to reject an American plan to use the country as a staging point to invade Iraq from the north.

At a time when the United States has moved to heal the diplomatic wounds inflicted in the period before the war, the memorandum by Mr. Wolfowitz is a blunt reminder of the bitterness still felt within the administration about the stance taken by France, Germany, and Russia, who led international opposition to the war in their roles as permanent members of the United Nations Security Council.

But American bases in Germany have been important staging areas for transport aircraft carrying out supply and humanitarian missions and France has allowed overflights by American military aircraft.

France and Germany were among the countries that declined to pledge contributions toward Iraq's reconstruction in Madrid in October, though the European Union, in which they are dominating members, pledged some \$235 million. France, Germany and Russia have declined to contribute troops to the American-led occupation force.

Defense Department officials said that Mr. Wolfowitz had made his decision after discussions with representatives of other agencies, including the State Department. A State Department official said Tuesday night that "we are committed to putting the past behind us" in relations with countries that opposed the war.

But, the official added, "This is taxpayers' money, and so we have got to go with those who have pitched in already."

The directive by Mr. Wolfowitz, which was made public on a Coalition Provisional Authority Web site, [rebuilding-iraq.net](http://rebuilding-iraq.net), was issued as a formal "determination and findings" document to provide a legal justification for the administration's decision to limit competition.

It is not clear how subsidiaries located in countries other than a company's main headquarters would be affected by the rules.

The number of troops provided by non-American countries has increased from 14,000 to 23,700 in recent months, while the number of American troops has declined by

about 12,000, Mr. Wolfowitz wrote in the document.

"Every effort must be made to expand international cooperation in Iraq," he wrote, adding: "Limiting competition for prime contracts will encourage the expansion of international cooperation in Iraq and in future efforts."

Bush administration officials, including Secretary of State Colin L. Powell, warned last spring that France and other countries would have to face the unspecified "consequences" of their attempts in the United Nations and other forums to block the American invasion of Iraq.

But until now, the American response has been mostly symbolic, including a notable absence of White House invitations to those countries' leaders to join President Bush for cozy one-on-ones at his Texas ranch.

A spokeswoman for the German Embassy in Washington, Martina Nibbeling-Wiessnig, would say only that "German companies and entrepreneurs are already engaged in Iraq as subcontractors." The French and Russian embassies in Washington did not return telephone calls seeking comment.

***Correction:*** Dec. 11, 2003, Thursday

*A front-page article on Wednesday about the Pentagon's decision to bar French, German and Russian companies from competing for reconstruction contracts in Iraq referred incorrectly to Germany's role on the United Nations Security Council. It is a temporary member, not a permanent one.*