

Bechtel advises subcontractors seeking Iraqi deals

Mike Ingram
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Bechtel Corp., the private company awarded the \$680 million contract for the rebuilding of Iraq, has held a series of meetings in the US, Britain and Kuwait to inform firms hoping to share in the spoils of the war, advising them how to submit bids for rebuilding the country's devastated infrastructure.

The US Agency for International Development (USAID) awarded the contract to Bechtel in April, sparking allegations of political favouritism from competing bidders. The company has close links with the Republican Party and the Bush administration, with high-level Bechtel staff holding senior positions within the US government. One of the company's senior vice presidents, Jack Sheehan, for example, is also a member of the Defense Policy Board, which advises US Secretary of Defense Donald Rumsfeld. George Shultz, who held posts in the Nixon and Reagan administrations, also served as the president of Bechtel for seven years between government posts and returned to a seat on the company's board of directors after leaving government. Shultz still holds that position while chairing the right-wing think tank, the Committee for the Liberation of Iraq.

Having been handed the contract for the "rebuilding of an entire foreign country", as one commentator put it, Bechtel has now launched its international road show to ensure it gets the cheapest subcontractors.

At the meeting in London on May 23, more than 1,000 people from British and other European companies crammed into the packed hotel room in the hope of picking up some crumbs from the Bechtel table.

Representatives from diverse companies such as builders Balfour Beatty and even specialist tyre supplier's from Essex filed past angry antiwar protesters to hear how they could bid for subcontract

work. Bechtel acquisition manager Tom Elkins said that at least 90 percent of the work would be subcontracted but it would be mainly in parcels worth less than \$1 million. Bechtel expects more than 10,000 firms to be fighting for contracts.

Competition is extremely stiff due to the number of interested bidders. Prior to the London meeting, a similar event in Washington attracted 2,000 potential subcontractors. As the affair moved to Kuwait, a further 2,000 contractors gathered in Sheraton.

Elkin was forced to deny reports that Bechtel has been told privately to favour America's coalition partners when doling out the contracts. He also denied that US firms were being given a 20 percent price advantage by US government agencies. Responding to suggestions that French firms might be disadvantaged because of President Jacques Chirac's hesitancy over the US-led war, Elkin said, "The French are not excluded."

Up to now all the contracts awarded have been to US allies, such as Britain, Kuwait and Saudi Arabia. There is no doubt that some of the larger contracts have been used as payment for services rendered. For the remaining smaller contracts, however, the issue for Bechtel is how cheaply the competing firms can sell themselves.

Speaking in London, Elkin warned potential bidders that competition was stiff. "Look around the room—these are your competitors," he said, adding, "Your security is your responsibility. It is not provided for you."

The sheer scale of the devastation wrought upon Iraq by the US and British military onslaught makes work in the country a lucrative but risky prospect for contractors. Violence and lawlessness, coupled with the spread of disease and uncertainty over the country's

future, mean that getting adequate insurance to cover staff could prove difficult.

Still the competition is intense. At the Kuwait meeting, significant bids were made by India for a share in the spoils. A 20-member delegation of businessmen went to Kuwait to participate in the Bechtel conference in the hope of striking up deals with Kuwaiti businessmen as a possible entry point to Iraq.

Founded in 1898, the company, privately owned by the Bechtel family, employs 47,000 employees in 67 countries and recorded a \$13.4 billion turnover in 2001.

It has a long history in the Gulf region. Having installed Jeddah's electrification system in the 1940s it also built Saudi Arabia's first commercial ports and airports, its first oil refinery and oil export pipeline. Its current contracts include repair work on power generation facilities, electrical grids, municipal water systems and sewage systems.

Bechtel was commercially involved in Iraq from the 1950s until the 1991 Gulf War when the company had to suspend work building a petrochemicals complex 60 miles south of Baghdad. It subsequently led demands for the US to finish the job, so as to enable it to resume operations.

Following the first Gulf war, Bechtel was contracted to lead efforts to put out hundreds of burning Kuwaiti oil wells and clean up areas damaged by oil spills. Since then, the company's Middle East projects have included developing a 500,000-barrel-a-day oil production centre in the Empty Quarter desert and building substantial sections of the Trans-Turkish Motorway, helping slash travel times between Istanbul and Ankara.

The meeting in London was also attended by a sizable group of Iraqi exiles hoping to return to Iraq and set up businesses. Abbas al-Hussaini of the Iraq Reconstruction Group, which claims a membership of 500 Iraqi professionals, said, "We don't want Bechtel to be a centre of hate. Please don't do it for the Iraqi people but with the Iraqi people."

Consequently, much has been made of the announcement last week that Bechtel had for the first time hired an Iraqi company to help in the rebuilding of the country. The 93-year-old Baghdad firm, Al-Bunnia Trading Co., will help Bechtel build a bypass around a key highway bridge that was all but flattened in the war.

Announcing the agreement, Bechtel's programme director for the reconstruction project said in a prepared statement, "Today's contract signing with Al-Bunnia is the first of many agreements we will have with Iraqi firms. This is a big first step for all of us."

The deal is being used to perpetuate the lie that the US-led war, and its subsequent occupation of the country, is aimed at helping the Iraqi people. Nothing could be further from the truth. Though no financial details of the agreement have been released it can be safely assumed that the bid from the Iraqi company was extremely favourable when compared to its international counterparts. Far from contributing to a rebuilding of Iraq's economy, the deal represents a further raping of the country by US imperialism.

The announcement coincided with reports that the US administration is considering a financing mechanism whereby Iraq's future oil and gas reserves will be used as collateral for loans on new projects. The scheme, being pushed by a coalition of companies including Bechtel and Halliburton, is expected to generate \$3 billion to \$4 billion a year that will be used to pay the fees of these same companies.



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