

Iraq Projects to Withstand Rise In Security Costs, Officials Say

By DAVID S. CLOUD

The proposed shifting of \$3.3 billion in U.S. aid for Iraq from reconstruction projects to improving security and other priorities is unlikely to affect money already approved for specific projects, officials and contractors said yesterday.

The plan, proposed by U.S. ambassador to Iraq John Negroponte and reported yesterday by The Wall Street Journal, envisions shifting funds intended mostly for electricity, water and sewage projects that haven't been included in already-signed contracts, officials said. "The intent of this review is not to disrupt the work that's currently under way," said John Proctor, a spokesman for the Pentagon's Iraq Project and Contracting Office.

That is likely to lessen opposition to the plan among contractors and in Congress, which must sign off on spending shifts. The plan could still become an election-year target for Democrats bent on criticizing the administration's post-war planning, however.

Congress approved \$18.4 billion in reconstruction aid in November, including \$14.4 billion in fiscal year 2004. To date, \$11.1 billion of the fiscal 2004 Iraq funds had been apportioned, leaving \$3.3 billion available for reallocation, officials

said. Of that, \$2.7 billion of the remaining funds was earmarked by Congress last year for electricity, water and sewage projects and would be shifted to security and other priorities, the officials said.

In a cable to Washington last week, Mr. Negroponte argued that without better security in violence-ridden Iraq, long-term rebuilding is impossible, officials said. Due to the insurgency and other bureaucratic delays, only \$700 million in U.S. aid actually has been disbursed to U.S. contractors.

State Department spokesman Richard Boucher said yesterday that a final decision on the plan would take several weeks, as officials from the State Department, Pentagon, White House and other agencies consider the proposed reallocation. More than \$1.9 billion of the shifted funds would be used for hiring, training and equipping more Iraqi security forces, including 45,000 additional Iraqi police, 16,000 National Guard troops and 16,000 border guards, according to a breakdown of the spending.

"We want to spend money on the major priorities, which are improving security, increasing Iraqi employment, and improving quality of life for all Iraqis," Mr. Boucher said.