French Call Obama 'Anticompetitive' Over Tanker Contract

PARIS (AP) — French President Nicolas Sarkozy will raise concerns that the U.S. Air Force's $35 billion tanker contract is anticompetitive when he visits President Barack Obama later this month, a spokesman said Wednesday.

EADS, the parent company of Airbus, had partnered with Northrop Grumman to vie for the 179-tanker order, but their consortium pulled out on Monday. They said the terms of the deal appeared designed to eliminate its design in favor of a smaller jet offered by rival Boeing Co.

The duo were awarded the original contract, which was overturned and revised after Boeing appealed.

French government spokesman Luc Chatel said Wednesday that France regrets the decision which "raises questions about whether competition rules are working properly."

He said Sarkozy will raise the issue with Obama, whom he will visit March 30 for talks which also include a private dinner.

Earlier Wednesday, Europe Minister Pierre Lellouche called the decision "an affront for France," against which Paris should "react."

Chicago-based Boeing is now the only bidder for the Pentagon contract. It is offering a version of the 767 commercial airplane to replace the U.S. Air Force's 1960s-era fleet of KC-135 tankers.

Twenty-eight of the EADS tankers have been ordered or are already in service with the air forces of Australia, Britain, Saudi Arabia, and the United Arab Emirates. Boeing's KC-767 tanker, which can carry a smaller payload, has been ordered by Italy and Japan.

The European Commission on Tuesday warned the United States against protectionism, noting that the trade balance in defense equipment with the 27-nation EU has traditionally been heavily in favor of the American side. In 2008 the US exported $5 billion worth of defense materials while importing only $2.2 billion from the European side.

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