



News releases from National Water Watch Campaign



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FOR IMMEDIATE RELEASE

Monday, December 7, 1998

OUR WATER IS NOT FOR SALE

OTTAWA – The Common Front to protect water, calls on the Chrétien Government to deliver the goods on legislation designed to prohibit the export of Canadian Water and to safeguard public control of this resource.

The Council of Canadians, the Canadian Environmental Law Association (CELA) and the Canadian Union of Public Employees (CUPE) are part of this broad-based group.

“This government promised it would table legislation this session that would prohibit the export of water. Corporations are planning to turn our water resources into an export commodity – yet the Chrétien government remains silent,” stated Maude Barlow, chairperson of the Council of Canadians.

“Should water be treated like any other commodity? Will Canadians continue to have affordable publicly controlled access to clean water? These questions are especially important given free trade agreements like NAFTA. Until legislation is passed, Parliament must enact a moratorium on the export of water immediately,” added Barlow.

“There is no forum examining the many environmental impacts of taking water from its natural setting. The Great Lakes are experiencing the lowest water levels in 34 years thanks to the growing impact of climate change,” stated Sarah Miller spokesperson for CELA. “Less water will mean more conflict in the next century among users and countries. Big business is banking on water becoming the oil of the next century and Canadians need to say no,” said Miller.

“What is more fundamental to democracy than control over the water we drink? Asked Judy Darcy, CUPE National President. “Access for all Canadians to a basic source of life is what’s at stake. Water resources and services must be publicly and democratically controlled.” CUPE represents over 460,000 workers in communities across Canada and is establishing Water Watch committees in cooperation with concerned citizens and environmental activists in many of these communities.

“Multinational corporations are trying to privatize water services in hundreds of Canadian municipalities and turn our water resources into an export commodity. They can’t buy the air we breathe, so now they want to buy and control the water we drink. What we are saying is simple – no water for profit,” concluded Darcy.

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NATIONAL ORGANIZATIONS URGE CHRÉTIEN
TO BAN BULK WATER EXPORTS BEFORE IT'S TOO LATE

(OTTAWA) – Time is fast running out for Canada to head off a lawsuit by a U.S. company that could cost Canadians millions of dollars and lead to our losing control of the country's fresh water, says an alliance of national organizations. More than 20 groups met today to discuss the threats posed to Canadian fresh water by commercial trade and privatization.

The alliance, which includes the Council of Canadians, the Canadian Union of Public Employees, the Canadian Environmental Law Association and the West Coast Environmental Law Association, has sent a letter to Prime Minister Chrétien outlining their concerns and urging government action on a lawsuit launched last December by California-based Sun Belt Inc. Sun Belt is suing Canada for lost profits under the North American Free Trade Agreement (NAFTA) because of an earlier British Columbia decision preventing the company from exporting billions of litres of fresh water from the province to California. Under NAFTA, Canada has 90 days in which to resolve the Sun Belt challenge or risk losing the suit; sixty of those days have already elapsed.

"Time is running out," said the groups in their letter. "Nothing is more essential to public health, security and well-being than water. Yet, in recent months, our governments have remained silent while there has been a proliferation of schemes for the bulk export of water for private profit. We call upon you to act in the public interest and ban the bulk export of water."

"It is wrong – environmentally, economically and morally – to engage in the large-scale trade of water," said Maude Barlow, chair of the Council of Canadians. "Water is a public trust; it belongs to the people. No one has the right to profit from it at someone else's expense."

"This is a very clear issue of the public interest versus private profit," said Judy Darcy, national president of the Canadian Union of Public Employees. "We must protect water from being privatized and ensure that control of it remains in the public sector. That is the only way to ensure Canadians continue to have clean, affordable and sustainable supplies of fresh water."

"Companies like Sun Belt see water as the oil of the next century," said Sarah Miller of the Canadian Environmental Law Association. "Allowing water to be traded away is certain to harm the environment since it will inevitably place growing numbers of lakes and rivers beyond the reach of governments and the rule of law. Canada must act now."

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February 9, 1999

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VIA FAX: 613-941-6900

CANADIAN WATER IS AN ESSENTIAL PUBLIC TRUST – PROTECT IT NOW

We have gathered in Ottawa today with groups from across Canada to express our collective alarm at the failure of governments to protect our most essential public trust – our water. Nothing is more essential to public health, security and well being than water. Yet, in recent months our governments have remained silent while there has been a proliferation of schemes for bulk export of water for private profit.

Time is fast running out on the most serious of those challenges by Sunbelt Inc., a US company seeking millions of dollars in compensation from Canadian taxpayers for lost business opportunity to profit from the sale of BC water. With only 30 days remaining before the Sunbelt challenge moves to a secret NAFTA tribunal, we ask that you inform Canadians of your intentions in this case.

We also ask that you act swiftly to protect Canada's water as a publicly held resource. Recent media reports have hinted that new policies will be introduced by Parliament regarding water exports. The vague policies from the mid-1980s "discouraging" water export have led us to the watershed we now face, fending off opportunistic raids on Canada's waters. Only laws will give us permanent protection and stability.

Groups like the United Nations Environment Program (UNEP) and the Worldwatch Institute predict world water shortages early in the next century. As stewards of over 25 percent of the world's fresh water resources Canada must be a leader in sustainable planetary solutions. This nation will be doubly challenged by having to balance the depletion of its water resources from climate change.

We call upon you today to act in the public interest first by legislating a ban on bulk water exports. International trade agreements must be secondary concerns and must be reopened if they continue to erode our most basic rights to clean accessible water.

Yours truly,

Maude Barlow
Council of Canadians

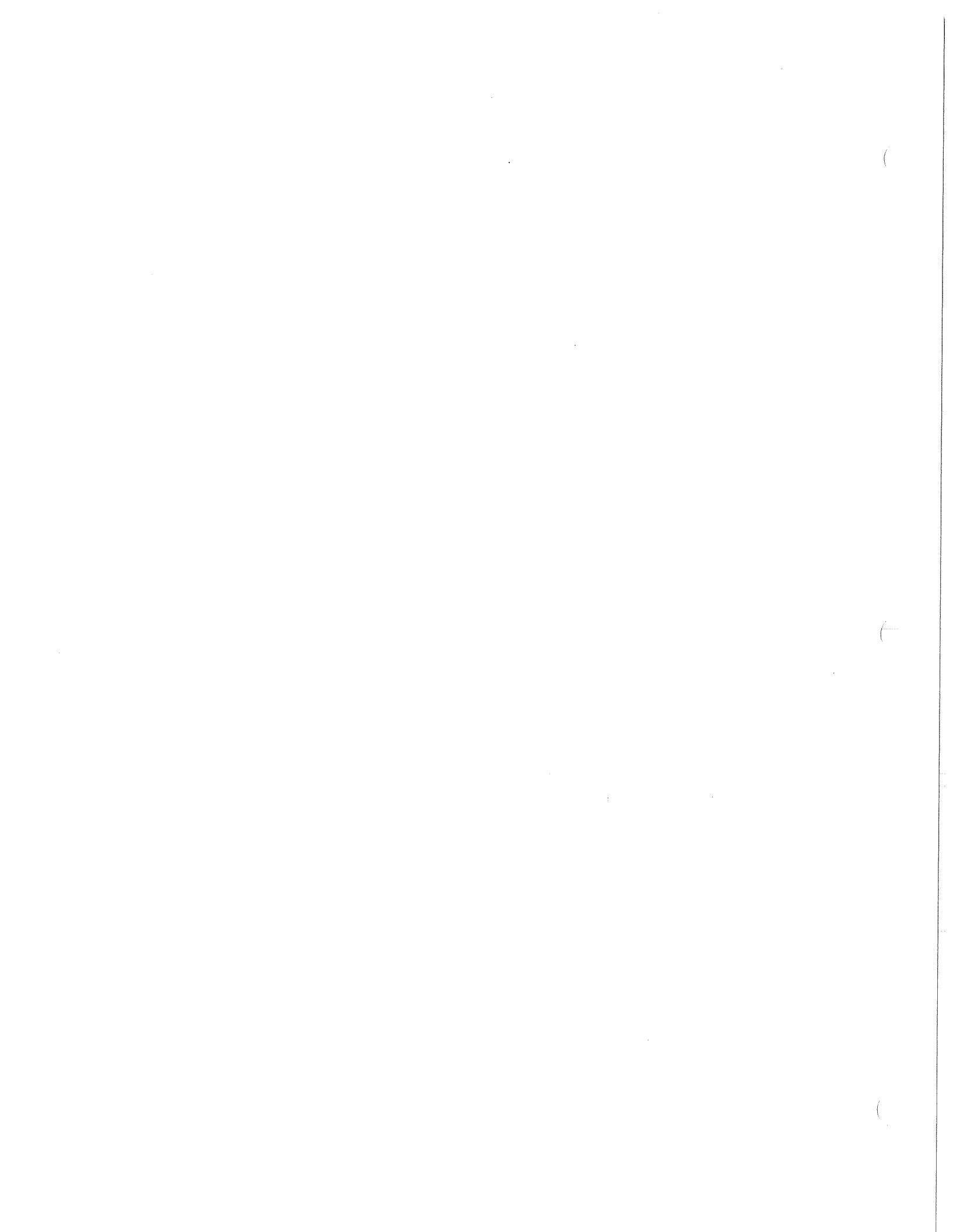
Judy Darcy
Canadian Union of Public Employees

Sarah Miller
Canadian Environmental Law Association

Steve Shrybman
West Coast Environmental Law Association



CANADIAN UNION OF PUBLIC EMPLOYEES - WWW.CUPE.CA





Speaking Notes for Water Watch Forum

Notes for Remarks

Judy Darcy
National President
Canadian Union of Public Employees

Water Watch Forum for National Organizations
9 February 1999
Ottawa

It's very exciting to be here today with people from many different groups committed to the same goal — stopping the sell-off of our water.

Canada's water is in great danger of being taken over by corporations. Some are corporations eager to get into the water export business, whether by filling tankers for sale overseas or by diverting water through pipelines to the south. Others, a small group of multi-national corporations, are trying to take over control of municipal water and wastewater facilities.

Aggressive moves by corporations on both fronts are raising some pretty fundamental questions about Canadians' control of own water resources. But it's more than a question of sovereignty. It's also a basic question of equity and access to water by all Canadians.

If water becomes a commodity to be bought and sold like any other — as we continue to see the gap between low-income and high income people in Canada widening — are we creating a Canada where some Canadians can afford clean, safe drinking water and others cannot?



Certainly that's the history of private corporate control of water in other countries. And that raises fundamental questions about democracy. Because democratic control of our water resources as well as our water services is crucial.

Unless we act to stop it, a vital source of life will become a source of profit.

Targeting Canada

Corporations view water and wastewater services in Canada as a vast untapped market.

The latest corporate vehicle for the takeover of water and wastewater services is public private partnerships (PPPs). These partnerships take many forms but generally they involve municipalities entering into long-term contracts with private water companies that build infrastructure and operate the systems.

There is not a big appetite in Canada for privatization of water services. On the contrary, our polling shows that by a margin of five to one, Canadians want to ensure that municipal water supplies are publicly owned and operated.

So PPPs are seen by the private sector as a more feasible strategy of privatization. If they succeed in taking over all aspects of water services except setting the regulations, complete private ownership will be a next logical step.

Indeed, private sector participants at the National Roundtable on the Environment and the Economy (NRTEE) clearly indicated that private sector ownership of assets should be allowed since it provided some asset security for financiers.

The private sector promises less costly and more efficient water services at a time when budget cuts and service downloading are hurting Canadian municipalities.

The push towards deregulation and privatization is also encouraging water corporations to diversify into hydro and gas services as a means of achieving economies of scale and maximizing profit. Cross-utility mergers allow them to integrate customer services, billing and marketing functions.

Who are the corporations?

The two largest water corporations in the world are Suez Lyonnaise des Eaux and Générale des Eaux, the Ford and GM of the water world. They and their affiliates own or operate water treatment facilities in over one hundred countries around the world.

In 1997, Suez Lyonnaise des Eaux had sales of approximately \$56 billion. It has interests in energy, waste management and communications but its core business is water.

Générale des Eaux is owned by Vivendi, with interests in energy, waste, transport, construction and telecommunications. Vivendi's annual sales total \$46 billion. Its water operations still generate most of its profit, \$860 million in 1996.

The largest utility corporation in Britain is United Utilities, which owns or controls water companies in at least ten countries and had total sales in 1995 of \$23.5 billion. It could be described as the Chrysler Corporation of the water world.

The water privatization push that has enveloped Europe in the last decade and a half has now reached North America. The French- and British-based water corporations are just beginning to establish themselves in North America through their subsidiaries and affiliates.

The Canadian Context

Fortunately, the water corporations' attempt to get hold of the water and wastewater industry in the United States and Canada is meeting with stiff resistance from unions, the public and some municipalities.

This opposition is based in concerns about loss of public control, rising user fees and the impact of privatization on standards and security of service. The impact on jobs, wages and working conditions are especially troubling for workers who provide public water services.

The corporations dismiss these concerns as simply a reflection of a "bias" against water privatization. One of the few times we can all say, yeah, we're biased, and proud of it!

But the culprits here are not just corporations. The federal government and many provincial governments are also responsible for this push to privatize. The funding crisis and downloading of services on the municipal sector has helped create business opportunities for multinational corporations.

In recent years, the federal Canadian Infrastructure Program (CIP) and grants from provinces have provided most Canadian municipalities with the means to build, operate and maintain water and wastewater infrastructure. But the federal government has abandoned the CIP at the same time the Canadian Water and Wastewater Association estimates that over \$80 billion are needed over the next 15 years to maintain and improve Canada's water and wastewater infrastructures.

As for provincial governments, the Ontario government has moved most decisively in the direction of promoting the private sector. It passed Bill 107 that transfers all responsibility for water services – except regulation – to municipalities, and gives cash-strapped communities the right to sell their water and wastewater facilities to private corporations. The province also plans to sell the Ontario Clean Water Agency (OCWA) which has operated many small and medium sized water and wastewater facilities in Ontario. Without OCWA, many small communities in Ontario will be at the mercy of private corporations for the provision of water services. Other provinces are also encouraging greater private sector involvement in service delivery, including water provision.

The reality vs the promise

The water corporations and their advocates claim that private sector involvement in the provision of water services through public private partnerships will produce a number of benefits to municipalities and the public at large. These promises include cheaper financing of water infrastructure projects, more water conservation and a more sustainable environment, better water quality, a more rational pricing system for water and more efficient methods of delivering and treating water and dealing with wastewater.

In fact, there is no evidence that this is the case and lots of evidence to the contrary.

- In France, since 1984 when water services were privatized, the price of water has increased by 150 per cent.
- Over 5 million people are reported to receive contaminated water in France, according to a government-sponsored report.
- In England, the rates charged by some water companies doubled over a three-year period. Meanwhile, chief executives have been awarded fat pay increases of 130 per cent.
- But the most frightening development of all – and the one we should all take a hard look at – is the number of customers who have had their water disconnected because they couldn't afford to pay the huge price increases. The number of families who have been disconnected has risen by 50 per cent since privatization. Water poverty is becoming an ever-greater problem in Britain, especially for the elderly and for single mothers.

Access to a basic source of life is what is at stake. Do we really want to follow the example set in Britain where fat profits and pay cheques for CEOs replace access by all citizens as the priority?

We are convinced that only a publicly controlled and publicly accountable water and wastewater system can deliver affordable, high quality and safe water services to Canadians.

The experience of other countries has shown:

- Private financing of infrastructure is not cheaper. Government can borrow more cheaply.
- Safe and accessible water systems are in danger.
- Higher costs to the consumer result.
- Profits rise at the expense of jobs.
- Competition under privatization is a myth.
- There is a tendency towards corruption.
- Privatization is not easily reversed.

The experience in Canada

So let's look at the Canadian experience of water privatization.

The 1998 inventory of the Canadian Council for Public Private Partnership – an organization actively promoting PPPs, made up of big corporations and contractors – identified approximately 40 PPPs in Canada's water and wastewater sector. In fact, most of these are short-term (3 to 5 year) operations and management contracts, rather than true PPPs.

Some on the list have been aborted such as the York Region PPP involving the British company Northeast Water. Yet there are others not on the list that are being pushed by the corporations as we speak. The following examples highlight the success we have had, as well as the need to increase our resistance.

In Nanaimo, our CUPE local scuttled a proposal by a large multinational water company to take over the water system. Despite the promise of increased pay, our members voted unanimously to reject the company's offer.

In Edmonton, city officials are moving to privatize Aqualta, the municipally owned water company that is part of Epcor. This threat has been opposed by CUPE members working with other groups in the community but the fight is by no means over.

In Toronto, a number of corporations wish to privatize the biosolids operation, part of the wastewater system. This would provide an inroad for private corporations seeking to manage the sewage treatment system. There is already a pilot project at one wastewater facility, Highland Creek, where a U.S. corporation has cut staffing levels dramatically. Worse still, they have argued that they could cut staff further if only the City would lower its water standards to the provincial minimum. CUPE is working with community groups to stop this, calling for City Council to clearly reject privatization.

In Hamilton-Wentworth, a subsidiary of Philip Services has a ten-year contract to operate the municipal water and wastewater system. CUPE locals in the region recently launched a campaign to fight privatization, contracting a McMaster University academic to do a study of the Philip-run operation. The report demonstrates it has not been a good deal for the municipality. The company has made large profits by cutting the workforce in half at the same time that the quality of services have been compromised. CUPE is calling on the municipality to end the deal with Philip Utilities.

In Peel region, the largest contract held by the provincial crown corporation, the Ontario Clear Water Agency (OCWA) expired and was recently up for renewal. OCWA was able to retain the contract but the province is planning to privatize OCWA. Privatization would badly affect small communities in Ontario that depend on OCWA to provide water and wastewater services, while encouraging OCWA to move into large communities where municipalities operate their own systems.

A few years ago in Montreal, community groups and CUPE activists worked together to turn back a move by the municipality and large French water corporations to privatize the City's water and wastewater system. No doubt the companies intend to renew their bid and continued vigilance is required.

In Halifax, there is a short list of tenders to build, operate and own the newly proposed wastewater system. The companies want to own this system for 20 to 30 years and only then turn it over to the public sector. We are pushing to have the private sector involved only in the design and construction of the facilities. It is very important that these systems be operated and owned by the public.

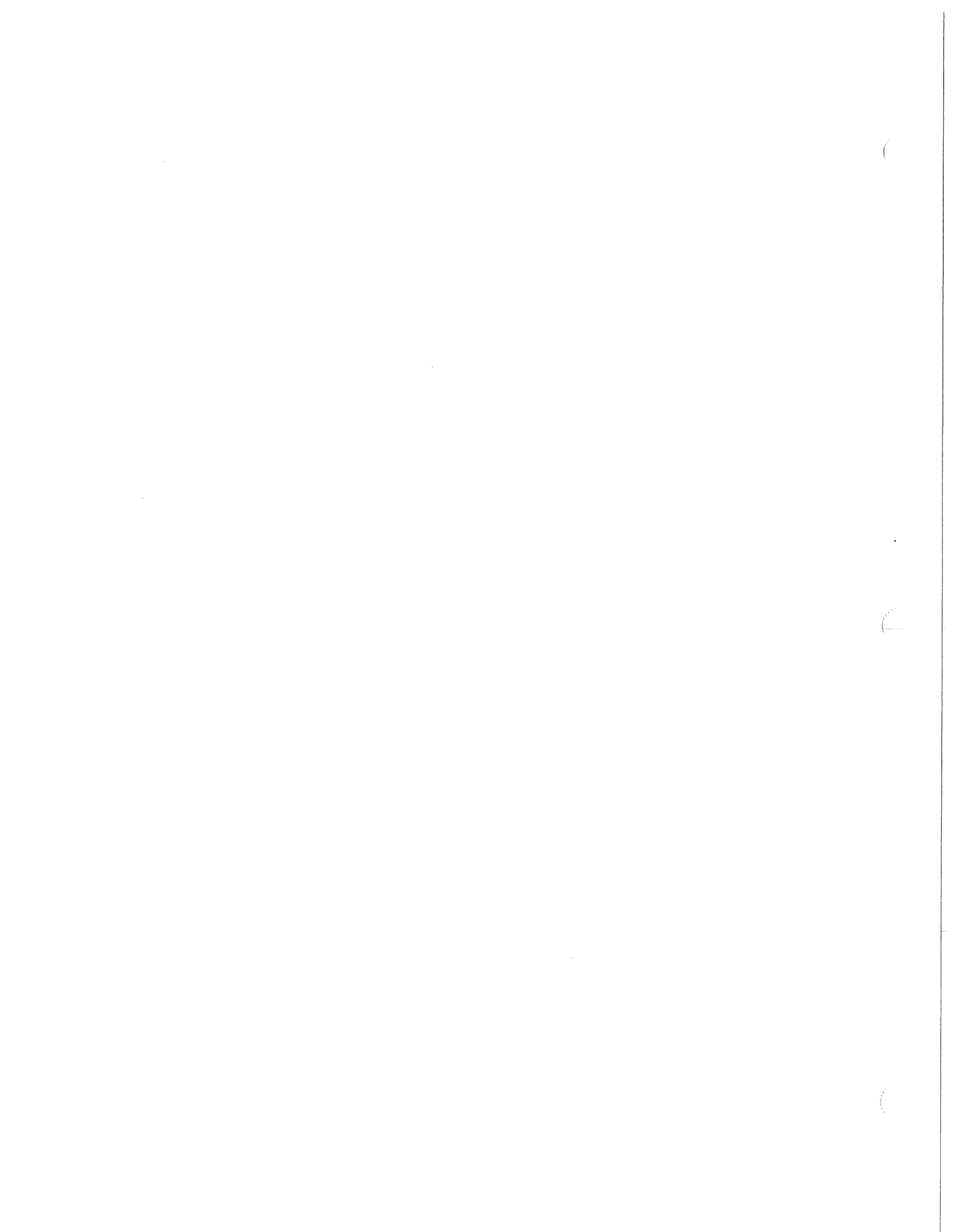
All of these developments point to the need for a strong public coalition of groups, such as those represented today, to come together to keep the operation and ownership of water services in public hands.

They can't sell us the air we breathe, so they want to sell us the water we drink.

But what we are saying is simple.

No water for profit.

The water in Canada belongs to the people of Canada and we're determined to keep it that way!





Listing of Environmental Organizations

Canadian Environmental Network's (CEN) most recent national/regional and affiliate network contact list.

Revised on March 3/99

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