

Statement of U.S. Mayors and Local Elected Officials
April 10, 2006

The former CEO of Thames Water, Bill Alexander, said in March 2003 that RWE's global water subsidiary "would not go anywhere it was not welcome."¹

Neither RWE, Thames Water, American Water, nor any of its state or local subsidiaries, has upheld this company directive. RWE's announcement that it will pursue an initial public offering (IPO) for American Water demonstrates that the company's leadership—headed by president and CEO Harry Roels—is out of step both with its customers and with market realities. RWE has been unwilling to evaluate fair offers from municipal buyers, who are seeking to fix the problems created by RWE.

We call on Harry Roels and the Executive Board to allow interested municipalities such as ours to negotiate the purchase of our water utilities before RWE proceeds with an IPO for American Water.

Eighty-six percent of Americans get their water from publicly owned and operated systems. Our communities want to join the mainstream. The problem is that it is easier for corporations and other investors to purchase *our* water utility than it is for *us* to do so. We have been elected to serve our communities, but without local ownership, we are hindered from doing our jobs.

While we have serious grievances with the management of and the services provided by American Water under RWE's ownership, we recognize that these failures are symptoms of the privatization of water services across the board and are not unique to RWE. Thus, while we welcome RWE's decision to sell American Water, we urge the corporation to acknowledge our right to negotiate the purchase of our utilities and bring them under local control.

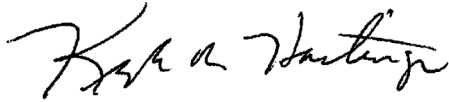
Since RWE purchased American Water in 2003, the corporation has jeopardized public health, safety and economic development. Consider the following:

- (1) In Illinois, American Water has put citizens in danger because of inoperable company fire hydrants in four communities.
- (2) In Kentucky, American Water is using the Kentucky court system to attempt to suppress citizens' right to vote on who should own their water company.
- (3) The Attorney General of Illinois has filed a complaint with the Illinois Commerce Commission against Illinois American Water for faulty billing practices whereby customers have been charged with erroneous bills of up to \$2,000.

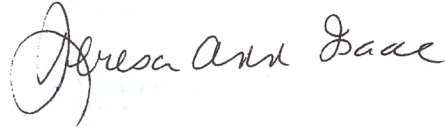
¹ Hall, Kenji. "Nations want more water access for poor." *Associated Press (Osaka)*, Mar. 19, 2003.

A major theme of the 4th World Water Forum, which recently concluded in Mexico City on March 22, was that the world's largest water corporations—like RWE, Suez, and Saur—are leaving their international water holdings and returning them to public control. We're asking nothing more from RWE than to follow the industry trend and allow the people of the United States to determine the future of our own water supply.

Signed,



Kyle R. Hastings
Mayor, Orland Hills, Illinois



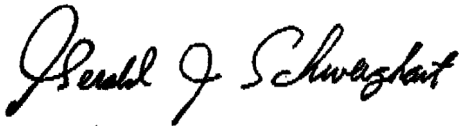
Teresa Ann Isaac
Mayor, Lexington, Kentucky



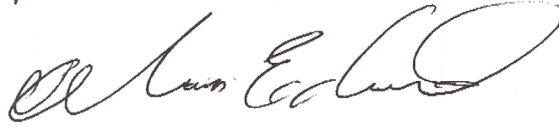
Russ Petrizzo
Mayor, Homer Glen, Illinois



Laurel Prussing
Mayor, Urbana, Illinois



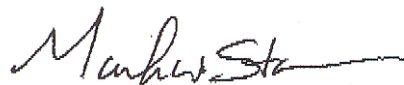
Gerald Schweighart
Mayor, Champaign, Illinois



Alvin Edwards
Chair and Division 1 Director, Monterey
Peninsula Water Management District Board of
Directors, Monterey, California



Roger C. Claar
Mayor, Bolingbrook, Illinois



Mark W. Stone
Chair, Santa Cruz County Board of Supervisors
Fifth District Supervisor, Santa Cruz County, California



Scotty Baesler
Chair, Lexington-Fayette Urban County Government
Water Committee
Mayor, Lexington, Kentucky 1982 - 1993
Member of U.S. Congress, Kentucky 1993 - 1999



Judith Lehman
Division 2 Director, Monterey Peninsula Water
Management District Board of Directors, Monterey,
California