

Currents

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Don Correll: A Well-Read Man

Hundreds of mayors from cities around the country converged on Washington, DC in January to press some flesh with their members of Congress during a meeting of the U.S. Conference of Mayors (USCM). They weren't the only ones looking for face time with important politicians. Executives from American Water, the country's largest private water company, were there in full force, making their standard pitch that handing over public water systems to their company would solve all their water problems. Water for All was also there, making sure the real story was heard. We got our latest report, *The Future of American Water*, into the hands of more than 100 mayors and their staff. You can get a copy into your own hands by downloading the report at: <http://www.foodandwaterwatch.org/water/pubs/profiles/american-water>

We happened to stumble into Don Correll, CEO of American Water, as he was leaving his presentation of the Mayors Water Council. We handed him a copy of our report, which he politely accepted, assuring us he had already read it cover to cover.

The Mayors Water Council, which sets water policy for the Conference of Mayors, has an Advisory Board to "provide USCM with expert advice and information on water resource issues so that [it] can develop and pursue policy designed to advance the goals and objectives of the nation's cities." The four full members of the board are American Water, OMI, United Water, and Veolia Water North America, all of which have come under severe criticism by



CEO of American Water Don Correll, right, contemplates privatizing this shiny pitcher of public tap water as he joins Mayor Steve Conaway of Fillmore, CA on a panel to promote water privatization at the US Conference of Mayors meeting in January 2007.

their customers in the nation's cities. Makes you wonder just whose goals and objectives Don Correll and the Advisory Board are really advancing?

In fact, mayors from Tennessee to Illinois to California are looking to leave American Water entirely, and bring local control and ownership to their community's water systems. If Don Correll enjoys reading so much, we wonder if he's had a chance to read the \$7.6 million offer that Felton, CA recently made to buy its local water system from American Water?

African Water Network Launched At World Social Forum In Kenya

Water for All helped launch the African Water Network at the 2007 World Water Forum held in Nairobi, Kenya, in January. We brought a number of activists from across the African continent and helped facilitate the birth of this new African water movement. More than 250 activists from 40 countries attended discussions and the launch of the network. The network will oppose privatization of water on the African continent and work for participatory, public control and management of water. African participants pledged to work for the inclusion of the right to water in national constitutions and to combat the use of prepaid water meters, a key campaign issue for Water for All's work. Water for All welcomes the new African Water Network and pledges our support for its success.

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President Cuts Funds for Water, Promotes Privatization

President Bush's budget includes cuts to both the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund. The Environmental Protection Agency has estimated that \$388 billion will be needed between 2000 and 2019 to maintain and rebuild our nation's clean water infrastructure. And yet, funding for the Clean Water State Revolving Fund, the primary source of federal funds for wastewater projects, has decreased from \$1.35 billion in 2004 to less than \$700 million proposed for 2008.

Instead of needed funding for water, the president would encourage privatization of public utilities by exempting private water utilities from the cap on private activity bonds, tax-exempt bonds issued by a state or local government. Water for All asked EPA Assistant Administrator for Water Ben Grumbles if he had any evidence that this strategy would result in needed infrastructure and he offered none. Communities around the country that have experimented with privatization have found that the private sector has not solved their infrastructure needs. Congress should support public water and reject this misguided proposal that will redirect taxpayer funds to private water companies and their shareholders.

Water delivery and safety is a public responsibility and Congress has an obligation to fully fund public water. Congress will have a chance to increase this critical funding with a bill scheduled for a vote at the end of February.

Felton has been forced to initiate eminent domain proceedings to acquire their water system because American Water has refused to negotiate a fair market price sale. The San Lorenzo Valley Water District's Board, on behalf of Felton, recently voted unanimously to begin the eminent domain process. Through the last four years Felton FLOW has worked tirelessly to bring Felton's water system under local control and has served as a model for communities organizing nationwide to oust American Water.

Water for All Focus on Investment Battle in Tanzania

The private water contract in Dar es Salaam Tanzania was touted as a flagship project and one of the most ambitious in Africa. Despite much criticism, the World Bank required privatization city water as a condition for support to the \$165 million water system improvement. The water project quickly became a poster child for the failure of privatization we have seen globally.

Water for All has highlighted the Tanzanian failure in past years and traveled to the country in January, ahead of the court hearings scheduled for April. Tanzania is facing a \$25 million challenge from the British company in charge, Biwater. According to the World Bank, Biwater fulfilled none of its contractual obligations. As a result, the poorest neighborhoods are still without water. Evidence clearly faults Biwater, but the company is able to drag Tanzania into an obscure court hosted at the World Bank using a 1994 investment treaty between Tanzania and the United Kingdom. If the court rules that Tanzania illegally cancelled its contract with Biwater and is told to compensate the company, water delivery for poor residents could be further delayed. We will highlight this case in the months to come to tell Biwater to back down and accept its failure without compensation.



Informal water vendors pull small carts with jugs full of water. 20 liters sell for TSH 200. If you are lucky to get water from the water utility you get 1000 liters for TSH 506. A markup more than 20 times the price.

Model Water Law Submitted to Salvadoran Legislature

Hundreds of activists opposed to water privatization gathered outside El Salvador's Legislative Assembly in January to back legislation that would increase access, quality and sustainability of water resources. They presented a new proposal entitled "The Potable Water and Sewage Sub-sector Law" for legislative approval. The proposal was developed in response to the government's attempt to pass legislation to oversee all surface and sub-surface waters in El Salvador and to require local municipalities to sign contracts with private water management companies for periods of up to 50 years.

The proposal has the support of a broad coalition of civil society organizations working in close consultation with

communities struggling for access to clean water. "This country has among the lowest levels of potable water coverage in Latin America. There is a serious water quality problem, constant shortages and what's more, there are threats of water privatization. That's why we decided to work in a collaborative way toward a Potable Water Law. It closes all doors to privatization," said Armando Flores of the Consumer Defense Center. "As workers at ANDA (El Salvador's state-run water company), we feel responsible for letting people know what the government's privatization plans really are," said Wilfredo Romero, Secretary General of SETA, the union of ANDA workers. "Their plan calls for 'decentralization and concessions,' but it is privatization just the same."

