

Currents

food&waterwatch

News from Food & Water Watch's Water for All Campaign

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RWE/American Water Stays In The Headlines

As RWE's sale of American Water approaches, the largest private water company in the United States has been making local headlines across the country. In Pittsburgh and its suburbs, thousands of Pennsylvania American Water customers had their water reduced to a trickle throughout several weeks in December, when water mains broke nine times in ten days. Schools closed for nearly a week, and public officials say the company dragged its feet in responding. The state Public Utilities Commission has launched an investigation of the company.

"If they're deferring on their capital improvements, that's going to be an issue for all governments that are served by this private water company,"

Pittsburgh City Council President Doug Shields told WTAE Channel 4 Action News.

Next door in Ohio, a deal was reached last week that would grant Ohio American Water as much as a 15% rate increase in some service areas. Julie Hedrick, an Ohio American Water customer in Huber Ridge, just outside Columbus, says the company has stalled in fixing the local water problems, and doesn't deserve any increase. She launched the website www.gettingsoaked.com, and helped organize a public forum on the issue last month, which around 180 people attended. She won't let her infant son drink the brown water that flows from her tap, she said.

Moving south to Chattanooga, TN, the Chattanooga Manufacturer's Association is opposing Tennessee American Water's proposed 19.67% rate increase, and the Hamilton County Commission passed a resolution opposing the increase as well, according to the Times Free Press and the Chattanooga. They city of Chattanooga has been exploring the possibility of a public acquisition of the water system.

"We're eventually going to have to take [the waterworks] over to remove the public from possible exploitation," long-time city councilman Jack Benson told Business Tennessee.

Letters Delivered To Suez In Bolivia

Letters written during Water for All's Blue October Campaign have been delivered to Suez's offices in El Alto. The delivery was covered by a large number of Bolivian press. In the first week of January 2007, the utility was officially handed back to the public, which can now focus on rebuilding the company with direct involvement from those who fought to reverse the privatization.

Unfortunately, the Bolivian government agreed to pay Suez \$5 million as a term of the company's exit. But for now, thanks in part to the watchful eye of water activists throughout the world and the focus given the case through Blue October, it appears that Suez has backed down from

its threat to sue Bolivia in an international investment court for more compensation.



Bolivians and North American allies deliver hundreds of hand-written letters to Suez' office in El Alto, Bolivia, urging the controversial water corporation to leave Bolivia without demanding further compensation.

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California Update

The town of Felton is still awaiting a reply from California American Water (Cal-Am) after offering \$7.6 million for the town's water system. If Cal-Am refuses to negotiate in good faith, the San Lorenzo Valley Water District, representing Felton's ratepayers, will initiate eminent domain proceedings.

Meanwhile the California Public Utilities Commission is considering RWE's application to divest itself of American Water and Cal-Am. The PUC must approve the divestiture before RWE can sell American Water to Wall Street investors. The transaction could increase costs for Cal-Am's ratepayers, such as new accounting costs, which are required by Federal Law. The commission could allow the corporation to pass on these costs as well as RWE's debt to its ratepayers instead of reducing shareholder profits. Hopefully, the PUC will rule in the public interest and force the company to pay for its past mistakes.

The town of Larkfield, another community served by Cal-Am, is preparing a campaign to form a Community Services District which would provide water to the community. Cal-Am is poised to ask the PUC for another rate increase or consolidate Larkfield with its Sacramento district. The consolidation could make a public acquisition for Larkfield unaffordable. We will closely monitor the company's upcoming tactics in Larkfield.

Protect America's Water

The 110th Congress is gearing up to address the critical shortage of funds for our nation's pipes and water systems. The Transportation and Infrastructure Committee has scheduled hearings on the matter and the rumor is that legislation will be considered in late January or early February. This early initiative will authorize funds for the State Revolving Funds, the primary source of federal money for community water improvements.

Congress must pass this critical funding. Transportation and Infrastructure Committee Chair Jim Oberstar is to be commended for bringing up this important issue so early in the new Congress.

However, a permanent trust fund for water is still needed. There is a \$22 billion annual shortage that communities face every year. A trust fund would protect water funding from the political whims of the President or Congress each year. An annual political battle over funding something as basic to life as water makes no sense.

The National Botanic Garden has a Trust fund to protect the Texas Prickly Pear and the Butterfly Weed. There

Indigenous Mexican Women Shut-off Water in Protest

Although they live near the gigantic Cutzamala water distribution project, which is a system of eight dams and numerous canals and treatments plants, the indigenous Mazahuas lack access to potable water. In the 1980s dams and canal construction robbed the Mazahuas of their local water supply and sent it to the sprawling megalopolis of Mexico City. After decades of negotiation with government officials the Mazahua Women's Army in Defense of Water (the group, despite its name, declares itself to be peaceful) decided to take matters into their own hands in December 2006. They have shut-off the valves of the Cutzamala system cutting off the water supply to the capital and part of the state of Mexico. "We asked them to supply water to our houses, and also an integrated development plan to get out of poverty. That is why we won't leave the plant until they listen to us," said Beatriz Flores, a member of the General Command of the Mazahua Women's Army in a news report by Diego Cevallos of Tierramerica.

Upcoming Event

The water for all campaign will participate in the World Social Forum in Nairobi, Kenya Jan 20-25. The event is the 7th Forum, but the first on the African continent. It provides an unprecedented opportunity to collaborate with our African partners and strategize for the future.



is a South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund. And there are trust funds for highways, airports and social security. Water is a public trust. It's time for a trust fund that protects our water and keeps it clean and safe.

Sign the petition to protect America's water!
www.foodandwaterwatch.org/water/americaswater



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