

# CURRENTS

News from the Water for All Campaign

March 2006

## Basta! Report from the 4<sup>th</sup> World Water Forum

Chanting in Spanish, “The World Water Forum does not represent us,” and “The people outside bring you a message: we’re fighting, we’re fighting, we’re fighting for our water,” dozens of people from regions as diverse as South Africa, the Philippines, Mexico, the UK, Canada, Korea, the United States, Venezuela, Mexico, Guam, Germany and Poland, marched through the main halls of the World Water Forum last week in Mexico City. They carried banners reading “¡Basta! \$H<sub>2</sub>O,000,000,000” (Basta is Spanish for “Enough!”) and “Right to Water ? Corporate Control.” Other forum participants as well as staff members joined the demonstrators along the way in a

show of support. While many photographers and reporters were present, others were locked into the press room by forum officials who did not want the people’s message getting out to the public. Those officials failed: Stories and photos ran in every major Mexican newspaper the next day. A moment of irony: Inside the forum, officials gave lip service to public participation; meanwhile, outside the forum, 20,000 people marched in the streets of Mexico City because they lack access both to clean water and to the air-conditioned rooms where the decisions are being made.



Photo courtesy of Orin Langelle

## Another step forward for desal, another step backward for the public

The lumbering industrial giant ocean-water desalination plants are inching forward in California. The City of Huntington Beach finally passed the land use permits that now accompany an inadequate Environmental Impact Report. The vote was 4-3, again, with the new elected majority in the City Council representing the proponents and not listening to the testimony of hundreds of its citizens and other interested parties. Desalination is an unproven technology in this country. Case in point: Tampa Bay, Florida’s plant operates at half the capacity, has never delivered expected drinking water, and numerous environmental, social, and marine impacts were ignored. The whole industry is watching and waiting as the false and undeliverable promises of safe, affordable, and reliable water move into the labyrinth of California’s regulatory process. With energy prices on the rise, this energy-intensive West Coast speculation is dependant on hulking, antiquated, and obsolete coastal power plant generators, who see a new life with desal. The proposed symbiotic relationship allows desal proponents to piggy back on illegal cooling water intakes that depend on rivers of water being sucked in while killing fish of the ocean. Currently, the California State Lands Commission, State Water Resources Control Board, and the newly formed Ocean Protection Council are all reviewing these projects. Stay tuned.

## Labeling Loss: You have a right to know what you’re drinking...

Bottled water is classified as a food and regulated by the U.S. Food and Drug Administration. Approximately 40% of bottled water sold in the U.S. is merely tap water. Rules allow manufacturers to call their product “spring water” even if it has been chemically treated. In one case in a Natural Resources Defense Council test, water from an industrial parking lot next to a hazardous waste site was marketed as “spring water” from a pristine source. We need to preserve the right to stronger labeling rules locally and in our states to prevent the misuse of current labeling rules. However, the U.S. House of Representatives just passed a bill to pre-empt state and local laws on food labeling, which would mean that good laws would disappear. This bill threatens state and local food safety laws across the country. For this

reason, 39 Attorney Generals, the National Association of State Departments of Agriculture, and the Association of Food and Drug Officials oppose the bill. The Senate will be voting on this terrible bill shortly. It's time to take action and speak up - see our alert below.

## Suez Leaves Argentina: Victory for Water Justice!



Argentina has suffered for more than a decade as the global guinea pig for water privatization experiments. But, after years of social turmoil surrounding these failed experiments (lack of investment in the maintenance, repairs and expansion of water utilities, rate hikes, cut-offs for those who cannot afford the service, water contamination due to lack of appropriate treatment, and on-going contention regarding contractual incompletion) the major multinational Suez is going home with its tail between its legs. In December 2005 Suez announced it was dissolving the company (Aguas Provinciales de Santa Fe) and leaving the province where it had a 30-year contract to run the utilities in 15 cities. On March 23, the company announced it was leaving Buenos Aires as well.

And there is speculation that current negotiations with the government will result in Suez withdrawing from the city of Cordoba. That would mean a complete EXIT by Suez from all of its Argentine water contracts! This is an important victory for the water justice movement in Argentina and around the world. It is a tacit admission that the World Bank-promoted model of large urban water utility privatization by multinational companies has been a colossal failure. However, it is not a complete victory. While Suez is leaving Argentina, it will NOT withdraw its claims in the World Bank related court (International Centre for the Settlement of Investment Disputes-ICSID). In both Santa Fe and Buenos Aires, the local companies (Aguas Provinciales de Santa Fe and Aguas Argentinas respectively) have withdrawn their cases from ICSID, but the major shareholders that make up these companies, Suez and Aguas de Barcelona, appear to have no intention of cancelling their claims. In Santa Fe the Suez claim is for US\$180 million and in Buenos Aires it is about US\$1.7 billion. Large multinationals, through the dispute settlement mechanisms of bilateral and multilateral trade treaties, now make a practice of suing governments when investment returns are less than desirable. Suez filed these cases in ICSID after the Argentine government prohibited it from raising water rates after the 2002 peso crisis. The next step for the global water justice movement is to demand that these cases are dropped. The Argentine people do not owe Suez a cent!

## RWE Update: Water company still pandering for a deal

On March 24, RWE announced an Initial Public Offering for its subsidiary American Water. Ignoring the many voices from communities across the United States who are interested in buying back their local utility so they can operate it under local, democratic control, RWE has instead chosen to appeal for a public bid and said it expected to be completed by the end of 2007. Apparently, the company can't find a buyer, which isn't surprising given its debt and dismal failure to induce interest or investment from Wall Street. Read our press statement here: <http://www.foodandwaterwatch.org/about/press/press-release-on-rwe>.

**TAKE ACTION!**

### Protect states' rights to stronger labeling rules

Let your senators know that you oppose The National Uniformity for Food Act, which impacts the bottled water you drink. Consumers want the hard-won state and local food labeling laws to stay put! Go to this link and take action:

[http://www.democracyinaction.org/dia/organizationsORG/fwatch/campaign.jsp?campaign\\_KEY=2830](http://www.democracyinaction.org/dia/organizationsORG/fwatch/campaign.jsp?campaign_KEY=2830)

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