



November 9, 2007

Mr. Riley P. Bechtel
Chairman and Chief Executive Officer
Bechtel Corporation
45 Fremont Street
San Francisco, CA 94105

Cc: President Rafael Correa, International Water Services/ Interagua, The World Bank agency MIGA, U.S. House Foreign Affairs and Financial Services Committee members.

Dear Mr. Bechtel:

The undersigned organizations are writing to express our serious concern with the activities of your subsidiary International Water Services or Interagua Ltda. in Guayaquil, Ecuador. Aided by loans from the Inter-American Development Bank and a guarantee from the World Bank agency, MIGA, your company won a concession contract to manage the water and sanitation services in the city of Guayaquil in October 2000. This contract was signed shortly after the company left Cochabamba, Bolivia following massive protests due to consumer rate hikes and other problems with the water privatization contract in that city. The citizens of Guayaquil, Ecuador are now experiencing similar problems and are demanding accountability from the company. The Ecuadorian regulatory agency ECAPAG recently fined Interagua \$1.5 million for contractual violations. The following issues, including documented contractual violations, have been brought to our attention.

- Repeated residential water cut-offs for up to 12, 24, 36 or more hours at a time;
- Residential water cut-offs of senior citizens and other low-income residents due to inability to pay;
- Failure to extend services to specific neighborhoods, especially low-income residents;
- Failure to meet contractual obligations for rehabilitation and expansion of services;
- Public health problems such as respiratory problems, skin rashes, asthma and diarrhea due to lack of wastewater treatment;
- Environmental contamination due to lack of wastewater treatment;
- Hepatitis A outbreak in June 2005 which was investigated by local authorities (Commission for Civic Control and the Public Defender's office) who concluded that the water was "not suitable for human consumption."



The undersigned organizations wish to extend our heartfelt support to the citizens of Guayaquil who are calling upon Interagua to respect their constitutional rights, their basic human needs, and their fundamental human rights. The Citizen's Observatory for Public Services in Guayaquil has worked tirelessly to bring attention to these problems. We call upon Bechtel, the subsidiary International Water Services and the local water company Interagua, to take the following actions to address the demands of the residents of Guayaquil:

1. Take immediate action to forgive all the water debts of residents whose services have been cut due to inability to pay;
2. Reconnect the water services of all residents whose services have been cut due to inability to pay;
3. Ensure compliance with the concession contract regarding rehabilitation and expansion of water services;
4. Ensure compliance with the concession contract regarding waste water treatment;
5. Ensure compliance with the Ecuadorian constitution, laws and regulations regarding the right to water and water quality standards;

The Ecuadorian government needs to address citizen demands that water and other public services, be locally and publicly owned, controlled and managed with active citizen oversight and participation.

As you know, water is essential to sustain all life. The United Nations Committee on Economic, Social and Cultural Rights adopted the human right to water on November 26, 2002 and the United Nations Development Programme's Human Development Report of 2006 calls on all governments to enshrine the right to water in enabling legislation. The human right to water is indispensable for leading a life of human dignity. Access to clean and affordable water and basic sanitation services are fundamental human rights. Everyone should have secure access to sufficient safe water and sanitation to meet their basic human needs. We await a prompt response to these issues.

Sincerely,
Food & Water Watch



ACT UP East Bay, United States
Administración Autónoma Para Obras Sanitarias, AAPOS, Bolivia
Americas Policy Program, United States
Antiimperialist Movement Siempre en Guardia, Argentina
Anti-Privatisation Forum, South Africa
Apunipima Cape York Health Council, Australia
Asociación YAKU, Italia
Attac, Spain
Attac, Denmark
Beyond Nuclear, United States
Bloque Popular, Honduras
Blue Planet Project, Canada
BUILD, India
Caribbean Latin America Coalition, United States
Catholic Health East, United States
Center for Policy Analysis on Trade and Health, United States
Centre for Human Rights and Rehabilitation, Malawi
Centro Cultural, Social y del Medio Ambiente Ceibo – Maipú, Chile
Centro de Derechos Humanos "Fray Francisco de Vitoria O.P.", A.C., Mexico
Child Development Foundation, Holland-India
Citizens Against Privatisation (CAP), New Zealand
Coalición de Organizaciones Mexicanas por el Derecho al Agua, Mexico
Collective Initiative for Research and Action, Nepal
Collective Initiative for Research and Action (CIRA), Nepal
Colombia Support Network, United States
Comisión Nacional en Defensa del Agua y la Vida, Uruguay
Comité de Agua Potable Hermogenes Aguilar COMAPHA, Bolivia
Comité Pro Agua sin Arsénico, Ecuador
Committee in Solidarity with El Salvador (CISPES), United States
Community Environmental Monitoring, India
Conference of Major Superiors of Men (CMSM), United States
Consejo de Defensa de la Cuenca del Río Pilcomayo, CODERIP, Sucre Bolivia
Cooperativa de Servicios de Agua y Alcantarillado de Tarija Limitada , COSAALT,
Tarija, Bolivia
Coordinadora del Agua, Bolivia
Coordinadora Nacional de Resistencia Popular, Honduras
Coorporacion La Ceiba, Columbia
Corporación Ecofondo, Columbia
Corporate Accountability, United States



Council of Canadians, Canada
Defending Water for Life Campaign, Alliance for Democracy, United States
Democracy Center, Bolivia
Eco Pax Mundi, United Kingdom
Enginyeria Sense Fronteres, Spain
Environmental Justice Coalition for Water, United States
Escuela del Pueblo primero de Mayo, Bolivia
Federación de Trabajadores Fabriles de Cochabamba, Bolivia
Federación de Trabajadores Fabriles Jubilados de Cochabamba, Bolivia
Federación Departamental de Cooperativas de Agua Potable y Alcantarillado Sanitario, FEDECAAS Ltda, Santa Cruz, Bolivia
FIVAS, Foreningen for Internasjonale Vannstudier, Norway
Food First, USA
Frente Nacional de Saneamento Ambiental, Brazil
Friends of the Earth, United States
Fundación Abril, Bolivia
Gender Action USA
Ghana National Coalition Against Privatisation of Water, Ghana
Global Economy Project, Institute for Policy Studies, United States
Global Exchange, United States
Global Justice Ecology Project, United States
Grupo de Trabajo de Control Social y Participación Ciudadana GTCS, Bolivia
Health Action for Human Rights, The Philippines
Jibhi Community Health Action Initiative, India
Jubilee USA Network, USA
Justice and Witness Ministries, United Church of Christ, United States
Marin Peace and Justice Coalition, United States
Maryknoll Office of Global Concerns, United States
Melamchi Local Concern Group, Nepal
Midwest Coalition for Responsible Investment, United States
Missionary Oblates of Mary Immaculate, United States
Nicaragua Network, United States
Oil Watch International, USA
Otros Mundos, A.C., Mexico
Our Water, Germany
People's Health Movement, Australia
Polaris Institute, Canada
Producers, "Thirst" United States
Public Services International, International



Rainforest Action Network, USA
Red de Género y Medio Ambiente, Mexico
Rede Brasileira pela Integração dos Povos (REBRIP), Brazil
REDES-Amigos de la Tierra, Uruguay
Region VI Coalition for Responsible Investment, United States
RR Resources - Albert J.Roebert, former deputy managing director of Amsterdam Water Supply, The Netherlands
Rural Reconstruction Nepal (RRN), Nepal
SANIPLAN, United States
School of the Americas Watch, United States
Sisters of Charity of Cincinnati, USA Corporate Responsibility Committee, United States
Sisters of Charity of Nazareth Congregational Leadership, United States
Sisters of Charity, BVM, United States
Sisters of the Sorrowful Mother, United States
Social Justice Alliance, United States
Solidariedade e Educação (FASE), Brazil
Su-Politik (Water-Political), Turkey
The Clean Air Action Group, Hungary
The Corner House, United Kingdom
The Latin America Solidarity Centre (LASC), Ireland
The World Development Movement, United Kingdom
Witness for Peace, United States