

# Defend the Global Commons

**Water is Life! Safe and Affordable Water is a Human Right!**

Defending Water as a Common Resource

## First U.S. Social Forum Meets in Atlanta, City Known for Failed Water Privatization

Atlanta is a city the private water industry probably would rather forget. When Suez, one of the largest private water corporations in the world, won a 20-year, \$428 million contract for Atlanta's water system in 1999, CEO Gérard Mestrallet hailed the deal as a "showcase." "Atlanta for us will be a reference worldwide," he said. But fewer than five years later, the contract was cancelled, 14,000 work orders had been left unfilled, and the former mayor of Atlanta was headed to federal prison.

Not only is Atlanta the site of the most notorious failed water privatization scheme in the United States; it is home to the headquarters of Coca-Cola, under fire for exploiting community water supplies in India and misleading con-



sumers in the United States to believe that bottled water is safer than our tap water.

Atlanta was also the location for a recent Environmental Protection Agency, or EPA, conference titled Paying for Sustainable Water Infrastructure, sponsored by Coke and other corporate water interests. Private sector financing—code word for privatization or corporate control of water—was a key theme of the conference.

However, Atlanta's current mayor Shirley Franklin set the conference participants straight. In her keynote speech, she called attention to the funding shortfall and urged Congress to step up and fill the gap.

Considering Atlanta's significance in the global movement for water justice, it should come as no surprise that water will be a key theme at this week's U.S. Social Forum. The Forum will feature a Water Track, with more than a dozen workshops, panels, films, and cultural events organized by a network of water justice organizations and activists.

If you're at the Forum, stop by the Water Tent to meet fellow activists, contribute to the Living River, and take action on current campaigns. If you're not in Atlanta, tune in to our blog for reports from the Forum: [www.foodandwaterwatch.org/blog](http://www.foodandwaterwatch.org/blog)



The EPA predicts an annual gap of \$22 billion between the funds available and the funds needed to maintain the nation's pipes and treatment plants to meet minimum federal standards for drinking water. This funding gap undermines the ability of communities to protect water.

According to the National Association of Clean Water Agencies, doubling, tripling, even quadrupling sewer fees would fall short of replacement needs for many cities. Additionally, not all communities can afford the same level of fees, which raises serious issues about fairness in providing comparable levels of clean water to all citizens.

Food & Water Watch advocates establishing national trust funds to provide dedicated funding streams for the nation's clean water and drinking water needs. Read more about this important initiative on page 4.

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**Drop of Life**

Sophia Malekutu, an elderly South African living in Phiri, South Africa, has had enough of prepaid water meters. Paying up front for an essential resource and the trouble of dealing with a complicated meter has taken a toll on this proud lady. She has joined the South African Water Coalition's legal challenge which asks the High Court to outlaw the use of prepaid water meters, using South Africa's promise of the right to water.



This small object is inserted in the water pipe reducing water flow to a trickle.

Sophia is unable to bend far enough to 'load' the water credit she purchased at a local store onto the water meter. The battery in the meter is dying and she knows that she will need to wait for Johannesburg Water to install a new battery in order to access water at her garden tap, her household's only source of water. She lives with her extended family in the Phiri section of the largest township in South Africa, Soweto.

For the past decade the South African government has allocated more towards water and sanitation than the military. But local water utilities, such as Johannesburg Water, are failing the poorest households by restricting their access to water when they are too poor to pay. To households unable to meet the monthly payments Johannesburg Water restricts water use, either by installing a prepaid water meter – or worse – a restrictor installed in the water pipe, allowing only a trickle of water to run through (see photo). These restricting devices are the object of the legal challenge. The water coalition has charged that utilities must put programs in place, such as affordable rates and consideration of the size of the household, to ensure adequate supply for all households regardless of income.

**Economic Facts**

While South Africa is one of the wealthiest countries on the African continent (the average income is more than \$11,000), 11 percent still live on less than \$1/day and 34 percent has to get by for less than \$2/day. The poorest 20 percent of the South African population account for only 3.5 percent of the wealth, while the richest 10 percent account for 45 percent or almost half. Children born in the poorest group are five times more likely to die before their 5th birthday than those in the richest households.

The court challenge is promising to set an important precedent on the implementation of the right to water. It has been brought by a large movement of communities and organizations, including labor, organized as the South African Coalition against Water Privatization. The organizations argue that current implementation of water policy marginalizes the poorest households and violate the national constitution. The court must instead order a stop of prepaid water meters and implement programs that uphold the right to water by prioritizing policies that will benefit the poor.

# Bolivia Stands Up to the World Bank – You Can Help!

Last month, the government of Bolivia took a bold step and withdrew from the World Bank’s undemocratic court for investment disputes. ICSID, or the International Centre for the Settlement of Investment Disputes, is an undemocratic institution that allows the world’s largest corporations to sue poor countries for millions of dollars.

You can show your support for Bolivia’s bold decision to put people over profits by sending an email right now to World Bank officials. Simply visit: [www.foodandwaterwatch.org/water/Alerts/bolivia-world-bank](http://www.foodandwaterwatch.org/water/Alerts/bolivia-world-bank)

By sending an email to the World Bank, you will be joining dozens of organizations around the world, like Food & Water Watch, Global Exchange, and the World Development Movement, who have joined in support of Bolivia’s withdrawal from ICSID.

Bolivia is the poorest nation in South America, and yet it is one of the most resource-rich: a quixotic legacy of more than 500 years of colonial exploitation. This legacy continued into the 1990s when the World Bank orchestrated a contract for Bechtel, the U.S. engineering corporation, to operate the water system in city of Cochabamba, Bolivia.

Within weeks of taking over the water system, Bechtel raised rates as high as 200%, forcing poor families to choose between water and food. Citizens organized mass protests, leading the government to end the contract. Bechtel sued the government of Bolivia for \$25 million dollars, despite having invested only \$1 million in the water system. The court ruled in Bolivia’s favor, but the government believes that the cards are stacked against poor countries, leading to the decision to withdraw from the World

Bank’s investment court. For more background, read Food & Water Watch’s new report, *Challenging Corporate Investor Rule*, at [www.foodandwaterwatch.org/water/pubs/reports/corporate-investor-rule](http://www.foodandwaterwatch.org/water/pubs/reports/corporate-investor-rule)



A woman protests Bechtel’s privatization of water in Cochabamba, Bolivia. The case ultimately ended up in ICSID arbitration.

## Inside RWE’s Decision to Sell Thames and American Water

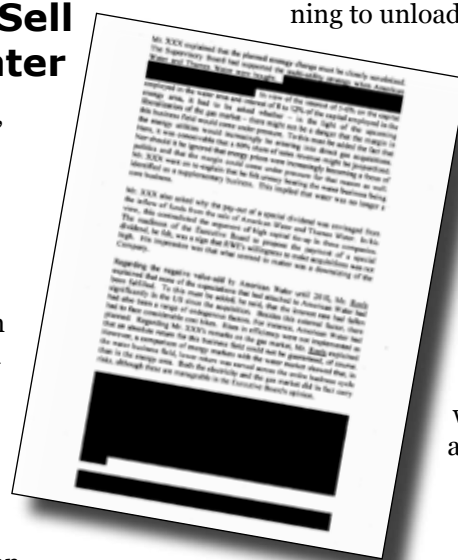
“The situation in the US was... difficult. There, public resistance to privatization schemes of companies was growing.”

Nope, we didn’t say it. Harry Roels, CEO of RWE, one of the world’s largest private water corporations, uttered those words during a 2005 meeting of RWE’s Supervisory Board. In May, Food & Water Watch released the sealed minutes, which reveal the real reasons for RWE’s swift departure from the global water business.

RWE sold British firm Thames Water to a private group lead by Australia’s Macquarie Bank for \$15 billion in 2006. Now, RWE is plan-

ning to unload its U.S. division, American Water, through a sale of stock later this year. American Water is the largest private water company in the U.S. and has been the target of numerous citizens’ campaigns to reverse privatization and restore local control of water to communities.

You can read the minutes and our analysis at: [www.foodandwaterwatch.org/press/releases/american-water-leaks](http://www.foodandwaterwatch.org/press/releases/american-water-leaks)



## Pledging to Protect Water in the United States



While American tap water is among the safest in the world, our water pipes and treatment plants are aging and deteriorating in the face of less money for renewal and repair and of more people needing household water service. Public utilities are struggling financially to meet federal clean water standards, to maintain and modernize water systems, and to prevent sewage spills that render our water unsafe for drinking, swimming, fishing, and wildlife.

There is an estimated \$22 billion annual gap between available funds and what is needed to keep our water clean and safe. The Bush administration has used this shortfall as a pretext to push more privatization of American water utilities.

Food & Water Watch is calling for more public funding for public water utilities in the form of a federal trust fund, and they are not alone. Representative Earl Blumenauer (D-OR) spoke enthusiastically about the trust fund at a recent clean water policy forum in Washington D.C. Congresswoman Eleanor Holmes Norton (D-DC) echoed, calling the idea of a trust fund “right on the money!” Congress will have to shift priorities to pay for this important initiative, she explained.

A new organizational pledge calls on other U.S.-based organizations who care about clean and safe water to support public water by supporting a trust fund. The campaign calls for funds for:

- Pollution prevention and drinking water source protection;
- Water conservation by the largest water users, including agriculture and industry;
- Public participation and accountability for public officials;
- Access to affordable water;
- Public funds for public utilities; and
- Appropriate fees for industries that pollute our water.

To sign your organization on or support these goals as an individual, visit [www.foodandwaterwatch.org/water/americaswater](http://www.foodandwaterwatch.org/water/americaswater)

### Clean Water Pledge

**Whereas**, many of our nation’s water pipes and sewers were installed in the early part of the 20th century, some as far back as the Civil War; and

**Whereas**, as water systems age and population grows, more and more leaks develop and sewage overflows into our streams, rivers, lakes and ocean, creating serious public health hazards; and

**Whereas**, public health agencies issued more than 20,000 warnings against swimming at beaches on U.S. coasts in 2005, and a majority of beach closings are due to sewage overflows and malfunctioning sewage plants; and

**Whereas**, the National Research Council recently warned that we should expect more water-borne disease outbreaks if there are not “substantial investments” made to improve our water pipes and systems; and

**Whereas**, there is currently a shortfall of more than \$22 billion per year between the funds available and what is needed to keep water safe for human and environmental health; and

**Whereas**, the federal government has cut the main source of funding for clean water year after year; and

**Whereas**, the spirit of the Clean Water Act is threatened by lack of funding for water infrastructure; and

**Whereas**, according to a recent poll, nine out of ten Americans believe that clean and safe water is a national priority that deserves federal investment; and

**Whereas**, there are federal trust funds for other major national investment needs like highways and airports, yet the federal government has yet to establish a trust fund to protect something all people need to survive: water;

**Therefore**, \_\_\_\_\_  
(name of organization) endorses a trust fund for clean water based on the following principles:

- Pollution prevention and drinking water source protection;
- Water conservation by the largest water users, including agriculture and industry;
- Public participation and accountability for public officials;
- Access to affordable water;
- Public funds for public utilities;
- Appropriate fees for industries that pollute our water.

Water is a public trust. It’s time for a trust fund that protects our water and keeps it clean and safe.