

American Friends Service Committee

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8 REASONS TO HATE 8

Seventh in a series

<http://www.afsc.net/ctsosaw.html>

Utility privatization failures

There is a record of selling or leasing public utilities to for-profit business corporations -- both in the US and around the world. What does the record show?

Shortly after the Mayor announced plans to sell the city's sewers, several showings of the documentary *Thirst* was shown, sponsored by AFSC and others, in Akron. The film documents the many horrors of transferring control of public water systems to business corporations, specifically in Bolivia, India, and Stockton, California. More information on the film can be found at <http://www.thirstthemovie.org/>

A flier was distributed at the film showings from Food and Water Watch called "Top 10: Why Water Privatization Fails." That flier is at www.akronohio.net <<http://www.akronohio.net>> (go to left column and scroll down under resources).

The Mayor and other supporters of sewer privatization countered by circulating a list at community meetings of roughly 20 communities that they touted as "successes" -- where water and sewer privatization contracts were working. Food and Water Watch analyzed this list (www.akronohio.com <<http://www.akronohio.com>> -- click on "Resources" link at top and click on the document, titled "Privatization Failures"). Significant problems were identified. The report concludes, "Every case is marred by skyrocketing rates, sewage flooded basements, federal investigations, broken pipes, bad water quality, corruption or scandal."

The list of 20 failures weren't randomly selected or even selectively chosen by opponents as "worst cases" to most effectively make our case. The list of 20 communities were provided by Issue 8 proponents and touted as models. These were the poster children for utility privatization. One wonders what the failed examples of privatization look like.

Issue 8 proponents responded by claiming publicly owned utilities in many

communities have problems. No doubt this is true. The ability of citizens to have their problems addressed, however in a publicly owned system is greater. Why? Citizens can call the sewer department and register a complaint to a public employee. Citizens can also call their city councilperson or the Mayor's office. Citizens can also show up to city council meetings and/or public utility committee meetings and apply pressure.

A privatized system is a system with an extra layer between the citizen and resolution of his/her problem – the for-profit business corporation with all their lawyers and lobbyists who have an interest to interpret whatever contract or agreement they may be operating under in their own interests.

Public officials can also shield themselves behind the corporation. "It's out of my hands." "Call the corporation who own or lease the utility." "You need to contact the law department since it's a contractual issue." Etc. Citizens have less voice, power and control.

Issue 8 proponents have also responded by saying there are more than 1000 public-private partnerships across the country. To this claim, Food and Water Watch Executive Director Wenonah Hauter states in an October 29 Akron Beacon Journal editorial, "The mayor claims there are more than 1000 public partnerships, but what he fails to say is that most of these are short term contracts for a specific project, not leases that will last way beyond the lifetime of the citizens voting on Issues 8 and 9 next week."

The record of privatization extends beyond US borders. A re-municipalizing trend across the globe is growing. Paris recently announced their privately owned water system would return to public hands by 2010. Why? The Mayor said, "We want offer better service, at a better price." More than 40 French communities have taken their water services back from corporations over the last 10 years. The same trend is taking place in Argentina, Bolivia, Columbia, to numerous places in Eastern Europe, and in the Philippines. An excellent account of this trend is at <http://www.alternet.org/water/89982/>

The record of utility privatization points to a direction that Akron should not take. Keep public utilities public.

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