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November 5, 2008

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Akron Residents Won't Let Government Abdicate Responsibility For Sewer System: Voters Reject Stinky Privatization Measure

Akron, Ohio--Despite the support of the media, members of the investment community and at least one NBA star, residents of Akron, Ohio rejected a measure to privatize their city's sewer system on Tuesday. Issue 8 was defeated by 62 percent to 38 percent. Issue 9, a citizen's initiative to ensure that all utility privatizations in Akron are subject to public referendum passed by a 2-1 margin.

Introduced by Mayor Donald Plusquellic, Issue 8 would have leased Akron's sewer system to corporate interests, leaving the maintenance and operation of the system to a private company in return for almost \$200 million. Plusquellic justified the measure, saying that the money would go to finance a scholarship program for Akron youth. Issue 8 was opposed by Citizens to Save our Sewers and Waters (Citizens SOS), a coalition composed of local labor, faith and community groups and the sponsor of Issue 9.

"Last night the citizens of Akron won a tremendous victory. They overwhelmingly said 'No' to Issue 8, which would have leased the city's wastewater utility to a private, for-profit corporation. This would have meant rate increases, poor service, and bad maintenance. The Mayor disguised this proposal in the scheme of a scholarship program, but he did not tell the folks of Akron all the facts. We got the facts about this proposal to the citizens and they overwhelmingly voted down Issue 8, " noted Jack Sombati, of AFSCME Ohio Council 8.

"The decisive defeat of Issue 8 was a victory for keeping Akron's

public utilities public,” said Greg Coleridge, director of the Economic Justice and Empowerment Program of the Northeast Ohio American Friends Service Committee. “The overwhelming support for Issue 9 was a clear statement by Akron voters that they want to have a direct voice in the future of their public water, sewer and other utility systems. Citizens in Akron now join the growing trend of people nationally and globally who feel public utilities are valuable community assets that should be publicly preserved rather than sold or leased to for-profit business corporations who care principally about their shareholders and owners.”

The passage of Issue 9 is part of a larger nation-wide trend of citizens forcing potential utility privatizations to go up for public approval. Similar efforts have been introduced and passed in New Orleans, Louisiana and Stockton, California.

“Issue 8 would have leased Akron’s sewer system to a private company for 99 years, a plan that has never been carried out in the U.S. and would have amounted to making the residents of Akron guinea pigs of a risky privatization experiment,” said Wenonah Hauter, executive director of Food & Water Watch. “We congratulate Citizens SOS for their hard-won victory. Akron voters were correct to reject Issue 8 and to approve Issue 9, which will protect public assets from other ill-conceived privatization measures.”

Under Issue 8 the city would have retained responsibility for big projects, including the \$370 million federal mandate to eliminate sewage overflows. The price tag for infrastructure improvements would have increased because Akron would have had to replace tax-exempt, low-interest public financing with expensive private financing.

“Privatization is not the cure to repairing ailing infrastructure systems. The evidence from the 86 percent of U.S. water systems under public control clearly shows higher efficiency with lower costs for ratepayers. In contrast, corporations’ costs are higher and any efficiency premiums are often passed on to their shareholders. Indeed, the 14 percent of U.S. water utilities that are privately owned charge ratepayers anywhere from 13 percent to 50 percent more than their public counterparts,” noted Hauter.

Food & Water Watch is a Washington, D.C.-based national consumer advocacy organization. Visit www.foodandwaterwatch.org <<http://www.foodandwaterwatch.org>> .

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