



IN THIS ISSUE

This issue of Sustainability Communicator is devoted to an issue of growing concern—water. Corporate ownership of the planet's fresh water and the infrastructure for its distribution is increasing. This trend is not well understood by the public. In this article, after a brief overview, we examine two aspects of this issue.

Sustainability Communicator is a quarterly publication about population, consumption, and conservation issues. Its purpose is to promote dialogue and action among League members and others interested in building a sustainable future.

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Water, Water—Anywhere?

By Suzanne Zanelli and Jim Baird

It is easy for most Americans to take water for granted. We turn on the tap and there it is, available for bathing, drinking, and cleaning. The average American uses a whopping 180 gallons every day for household purposes—more than double the amount used by the average European. We use even greater amounts for growing crops, in industry, and to generate power. Until a shortage forces us to pay attention, the convenience of water access in the United States has allowed its life-supporting functions to go practically unnoticed.

However, some of our most basic assumptions about the world can change quickly. People of the Gulf Coast found out about life with no fresh water following Hurricane Katrina. Town planners in many parts of the country are noticing when insufficient water thwarts development plans. And some Third World communities certainly noticed when the cost of water rose dramatically due to privatization, forcing them to choose between eating and drinking. Continued growth of population and consumption are causing governments at all levels to pay attention to a shrinking world water supply. At the same time, the private sector is taking notice as increased demand is making water a highly marketable and profitable global commodity.

Advocates for privatization of water supplies argue that creating a water market would increase the efficiency of water distribution, especially in cash-strapped municipalities and countries. But greater efficiency is not necessarily guaranteed, and it only solves part of the problem. Privatization wouldn't automatically

take into account the equally pressing concerns of equity and environmental health. Because water is so fundamental to life, its distribution is a uniquely essential service and should not be treated as a typical commodity.

Many difficult questions arise when a vital resource that crosses boundaries becomes scarce. How do we determine who owns or has rights to what? Until recently, water usage remained more or less local, with wastewater eventually being recycled into the local watershed to replenish lost stores. What happens when water is transported across state or national boundaries? Water pricing can encourage conservation, but what is the upper limit in price for something you would die without? These are just some of the issues confronting the communities described in the cases that follow.

Did You Know?

- 1.7 billion people (one in five) currently lack access to an adequate and sanitary water supply. By 2025, that number could exceed 3 billion. (UNEP)
- 20 countries were classified as “water scarce” in 1990. By 2025, between 10 and 15 new countries will be added to the list, including Libya, Syria, Egypt, and Iran. (Population Action International)
- Three quarters of human water use is for agriculture. Over-pumping of groundwater by the world's farmers already exceeds natural replenishment by more than 4 percent. (Institute for the Analysis of Global Security)

The Water Trade: Whose Water?

Access to clean water is considered a basic right in many international agreements, declarations, and national constitutions. U.S. laws support the idea that water is a public resource that government needs to manage and protect for citizens. Yet, though governments may set the ground rules, there are very few regulations that limit the appropriation of water by private interests. In some Western U.S. states, laws designed to spur economic growth allocate water rights to support a “use-it-or-lose-it” mentality that equates water conservation with waste. In other places, river water is diverted to distant population centers. In response, for-profit companies are figuring out how to export water to these profitable markets.

Consider the Great Lakes. This watershed holds 20 percent of the world’s fresh water. In 1999, a Canadian company initiated a plan to use tankers to haul 160 million gallons of Great Lakes water annually to Asia. Since the waters are managed for the public, the governors of the surrounding states responded to public outcry and scuttled the deal. But it is not certain that such moves would stand up to international trade agreements such as GATT and NAFTA. In the meantime, companies are working on the technology and logistics for large-scale trade in fresh water. According to a 2004 article in the *Christian Science Monitor*, “Aquarius Water Transportation became the first company to tow bags of fresh water for export, delivering commercial bulk quantities to the Greek Islands. In 2000, another company, Nordic Water Supply, began using 5 million gallon bags—10 times as big as the original Aquarius containers.” Other examples abound from a plan to tow excess water from the Pacific Northwest to San Diego, to the Web site for the Norwegian company Isbre, which proclaims, “the Isbre Spring can supply our tanker ships with



at least 50 million gallons of bulk water on a daily basis.”

Another way to transport water is in bottles. Numerous corporations have begun buying the rights to capture groundwater in order to produce bottled water for export. In 1999, Nestle Inc. began working on a plan to build a bottled water plant in Mecosta County, Michigan. The community and a local judge rebuffed an initial attempt. But the Department of Environmental Quality is finding that Michigan state law makes it difficult to deny companies like Nestle access to their groundwater reserves. It only allows assessments to be performed on water quality, not on the quantity of water withdrawn. The company’s current project in Livingston County, which would extract more than 200 million gallons annually, is still under review.

Other cases of companies extracting water for bottling plants are in various stages in the United States and overseas. Save Our Groundwater is a nonprofit organization that has been fighting an effort by the USA Springs, Inc. to withdraw nearly 310,000 gallons of water a day from company-owned wells in the New Hampshire towns of Nottingham and Barrington. Halfway around the world, the Coca Cola

Company’s India subsidiary has been fighting a public relations battle for several years over its use of wells in the impoverished village of Plachimada for a bottling operation. Local citizens complain that water levels are not only dropping in their own wells, but that the bottling plant has left well-water so contaminated that it is no longer safe to drink.

As companies increasingly turn to the water supplies of small towns and rural regions to slake the thirst of growing urban centers, the reaction by residents of these communities is almost visceral. When local users extract and use water within their watershed, the water is usually consumed locally and ultimately returned to the streams, lakes, and aquifers from which it came. However, when water gets shipped across state and national boundaries, the local supply is permanently depleted. To add insult to injury, the mining of spring water creates many unintended negative environmental consequences that are borne by the human and natural communities living near that resource. As an increasing number of communities around the world face the environmental and social impacts of the water trade, they are recognizing the need to evaluate more than just the economic factors of handing over the reins of their water supply.

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Privatization: Who's Minding the Water Store?

Although water utility management (facilities, distribution, and treatment) has largely been seen as a public sector activity, private firms have always been part of the mix. In the United States, about half of the water systems were privately owned until World War I, when it dropped to about 14 percent due to the availability of government financing. Recently, however, many cities and local governments have begun to seek out private partnerships and contracts in the name of smaller government, and to attract private capital for large-scale renovations and upgrades. Today, around 30 percent of municipal water systems in the United States are privately operated. This trend is being echoed in the rest of the world, where many communities are shifting from public to private ownership or management of water systems, frequently at the behest of international aid and lending institutions.

Residents of a small, impoverished community in Bolivia called Cochabamba know all too well the heavy costs of a privatized water supply. In 1999, Bolivian president Hugo Banzer signed a contract that gave the Bechtel subsidiary, Aguas del Tunari, full control over the municipal water system of Cochabamba. With little warning, water rates nearly tripled. Hundreds of thousands of Cochabambinos, many of whom make no more than \$100 a month, found themselves having to choose between purchasing food or water. It took four months of

sustained public outcry and the loss of one 17-year-old's life before the government finally broke its contract with Aguas del Tunari and allowed a citizen-run nonprofit company to manage the water service.

This scenario is being repeated in communities all over the globe. Though private companies run only about 5 percent of the world's waterworks, their growth over the last 12 years has been extraordinarily. The International Consortium of Investigative Journalists reports that private companies supplied about 51 million people with their water in 1990. That figure is now more than 300 million. Much of this growth has benefited the world's three water giants—French conglomerates Suez and Vivendi, and Thames Water of England (owned by the German RWE). These companies are powerful enough to influence international trade and development agreements that force the privatization of public water systems. And this is not just a phenomenon affecting the developing world. Much of Europe's water is privately managed, and the big targets for future expansion are in North America and China. The number of long-term private arrangements in the United States has grown from approximately 400 in 1997 to about 1,100 today, including large cities such as Tampa, Pittsburgh, and Indianapolis.

It is a common assumption that the private sector would run things more efficiently and with fewer problems.

However, according to a recent survey by the Public Services International Research Unit at London's Greenwich University, "There is no ... significant difference between public and private operators in terms of efficiency or other performance measures." Moreover, numerous examples of mismanagement and fraud mar the track records of many privatization schemes around the world. Municipalities often enter into contracts with water companies to lower costs and improve service, yet in many cases the community members end up paying high prices. In the town of Pekin, Illinois, residents pay some of the highest water rates in the state, even though the American Water Works subsidiary that manages their water supply has neglected to take care of even the most basic repair needs.

But the poor management and inconsistent service of several private water companies are not going unchallenged. More and more communities are sending the message that the quality and quantity of their water supply is non-negotiable. Atlanta, for example, recently terminated a contract with United Water Resources, Inc. after enduring four years of sporadic brown water and consistently poor service. Across the equator, in Cochabamba, the citizen group that now manages the city water system still struggles with funding shortfalls and an indifferent government regime, but 100 percent of the water is in the hands of the people.

Communities with Long-Term Water Contracts

City	State	Contractor	Ultimate Ownership	Length(Years)
Atlanta	GA	United Water Services Atlanta	Suez	20 (from 1999)
Buffalo	NY	American Anglian Environment Technologies	RWE	10 (from 1997)
Camden	NJ	Camden Water	Suez	20 (from 1999)
Easton	PA	U.S. Water	Suez	10 (from 1994)
Honolulu	HI	U.S. Filter	Vivendi	20 (from 1998)
Indianapolis	IN	U.S. Filter	Vivendi	20 (from 2002)
San Antonio	TX	United Water Services	Suez	10 (from 1999)
Stockton	CA	OMI-Thames	RWE	20 (from 2002)

Source: State Environmental Resource Center

Conclusion

The availability of water is playing an increasingly pivotal role in economics, social justice, and security. As population and consumption levels around the world continue to grow, access to sufficient clean water is declining - especially for the poorest among us. Recently, Fortune Magazine referred to water as "blue gold," alluding to its growing allure as a profitable resource to multinational conglomerates as well as to water-rich regions of the world. But as the price goes up, what will be the cost to our communities and the environment? Conservationists need to pay closer attention to our assumptions about this most basic resource and the mechanisms to sustain it.

Founded in 1922, the Izaak Walton League of America is dedicated to common sense conservation that protects America's hunting, fishing, and outdoor heritage relying on solution-oriented conservation, education, and the promotion of outdoor recreation for the benefit of our citizens. The League has more than 40,000 members and supporters in 21 state divisions and more than 300 local chapters in 32 states.

For more information on this subject:

- National Council for Science and the Environment Fourth Annual Conference Water for a Secure and Sustainable Future 2004. Conference Web site.
<http://www.ncseonline.org/NCSEconference/2004conference/>
- U. S. House Subcommittee on Water Resources and Environment, Hearing: "Water: Is It the "Oil" of the 21st Century?"
<http://www.house.gov/transportation/water/05-22-03/05-22-03memo.html>
- A campaign is under way to strengthen international law with respect to water as a human right. Green Cross International operates a Web site focused on the treaty.
<http://www.watertreaty.org/faqs.php>

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