

Five Things You Should Know About Water

By the Council of Canadians

On December 4, 1998, Sun Belt Water, Inc. of Santa Barbara became the third U.S. company in a year to launch a lawsuit against Canada under the North American Free Trade Agreement (NAFTA). Sun Belt is suing Canada for \$220 million (U.S.) because of an earlier British Columbia decision preventing the company from exporting billions of litres of fresh water from B.C. to California. The case is important, not only because it demonstrates – again – the power of foreign businesses to sue our government under NAFTA, but because it highlights mounting efforts by business to privatize and export Canadian fresh water abroad – efforts the federal government appears unwilling (or unable) to stop.



A global water crisis

Growing numbers of the world's people are living in areas where fresh water is a scarce resource, creating a global water crisis. Canada holds 20% of the world's supply of fresh water and investors are proposing to export and sell bulk quantities of it abroad for profit. None of the schemes proposed would help people who lack access to sustainable supplies of clean water. Water shipped abroad would be bought only by the few who could pay for it. Drought-stricken nations and the poor would be least able to afford it. In addition, countries that import Canadian water would be less inclined to find better, local solutions to their water problems.

Priming the privatization pump

Investors see water as the oil of the next century. Although Canada's fresh water is publicly-owned and controlled, increasingly private companies are vying for control of water treatment, delivery and sewage services. Some municipalities

are exploring public-private partnerships in the provision of water services. The Ontario government has been pushing water privatization for several years.

But privatization comes at a price. In England and Wales, where water services were privatized in the late 1980s, customers have seen their rates soar, water shortages have been severe, and thousands of low-income people have had their water disconnected, raising serious concerns about the public health consequences. Little has been reinvested in the aging infrastructure, and the actual savings from privatization – the result of massive layoffs, pay cuts and union busting – have been poured into lavish executive salaries, high shareholder dividends and capital to buy other utilities worldwide.

Corporate water giants

France, an even earlier convert to water privatization, has had similar experiences, spawning in the process their own corporate water giants. Lyonnaise Des Eaux (LDE), one of the world's biggest promoters of water privatization, owns Degremont Infilco Ltee of Lachine, Quebec, which supplies water treatment facilities to many municipalities. It also owns most of the second largest water utility in the U.S., United Water Resources. Many worry that, if water is allowed to be privatized and exported to the U.S., under free trade, we won't be able to turn the tap off – and companies with large holdings in the U.S., like LDE, will be more concerned with healthy profits than healthy drinking water for Canadians.

Leaky trade

Canada already permits the sale and export of bottled drinking water. Unfortunately, we lack a comprehensive national water policy and legislation prohibiting the bulk export of fresh water. Last year the Nova Group of Sault Ste. Marie announced it had been given a five-year permit from the Ontario government to draw up to 10 million litres of fresh water a day from Lake Superior for export to Asia. A few months later the McCurdy Group of Gander announced it was applying to export 52 billion litres of water a year from Gisborne Lake in southern Newfoundland. Under NAFTA, Canada could lose control of its fresh water once it becomes a tradable commodity. The Nova

Group has since withdrawn its application, on the understanding that it will be first in line at Lake Superior if water ever does become tradable; the Newfoundland application is still being considered.

What our government should do

First, introduce an immediate moratorium on the bulk export of Canadian fresh water to stave off further export threats. Second, enact legislation prohibiting large-scale water exports. Third, open negotiations to exempt water from NAFTA or, preferably, kill the deal. Fourth, develop a broad national water policy that ensures ownership and control of Canada's fresh water remains in public hands. Fifth, join with other countries and NGOs worldwide to promote more efficient use and maintenance of local fresh water.



Ten Concerns about Bottled Water

Excerpted from *Inside the Bottle – an Expose of the Bottled Water Industry*
by Tony Clarke
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Price Gouging – what kind of price mark-ups do we find in the bottled water market? Single serving bottles of water range in price from \$1.00 to \$1.75 U.S. By contrast the same amount of tap water costs a fraction of this price. The U.S. Natural resources Defense Council has estimated that bottled water is between 240 and 10,000 times more expensive than tap water. For Coca-Cola or Pepsi, who draw the water for their products directly from municipal taps, this price mark-up is astonishing. But it is even more shocking in the case of Danone or Nestle because they pay little or nothing for the water they take out of groundwater streams and aquifers.

Water Takings – when the label on the bottle says ‘pure spring water’, where does the water really come from, who owns it, and how is it regulated? In the U.S., bottled water companies are not required by law to disclose the source and geographical location of their water takings on their labels. In Canada they are, but only for takings from underground water. Water takings are also largely unregulated in both countries where there are more laws governing surface waters than there are for groundwater. Where groundwater regulations do exist, they differ, often dramatically from state-to-state and from province-to-province. As a result of the lax regulatory environment, bottled water labels are often very misleading.

Transforming Water – what kinds of filtering and processing methods do companies use to turn ‘real’ water into bottled water? What’s the difference between bottled water and tap water? The Big-4 bottled water companies imply their elaborate ‘proprietary’ treatment processes are the justification for the higher cost of their products. Yet, unlike other raw materials such as timber, minerals, oil, and gas, which are transformed into identifiably new products, bottled water is simply water transformed into water. The industry’s treatment processes do not guarantee that bottled water is safer than tap water; in fact, a number of studies have demonstrated that bottled water is often less safe than tap water. Consider that one treatment process uses bromate, which is considered to be a carcinogen.

Contaminating Water – what evidence is there to support the industry’s claim that bottled water is superior to tap water? The International Bottled Water Association proclaims that bottled water is superior to tap water. Yet several peer-reviewed scientific studies have found disturbing concentrations of toxic ingredients such as arsenic and mercury in their bottled water samplings. When Coca-Cola launched its Dasani product in the UK in March 2004, it had to withdraw nearly half a million bottles due to bromate contamination. Bottling plants face inspections only once every 3-to-6 years depending on the country and regulations governing tap water are often stricter than those governing bottled water.

Marketing Schemes – what kinds of marketing and advertising schemes are used by companies to sell what is really ‘water

transformed into water’? The tagline for Pepsi’s Aquafina says it all: “So pure we promise nothing.” Through relentless advertising, the Big-4 companies have turned bottled water into “America’s most affordable status symbol”. Using images that evoke ‘activity’, ‘health’, ‘relaxation’, ‘purity’ and ‘replenishment’, the bottled water giants dupe consumers into buying something that largely exists in an imaginary environment. Industry slogans like ‘get hydrated or die’ expose internal corporation contradictions such as the fact that the same companies that sell dehydrating soft drinks are promoting bottled water as a solution to dehydration.

Eco-threatening – what environmental damage is caused by the escalating use and disposal of plastic bottles? Bottled water containers labeled with images of pristine natural environments are rapidly becoming a major threat to the environment and to our health. These containers release highly dangerous toxic chemicals and contaminants into the air and water when they are manufactured, and again when they are burned or buried. Yet these same plastic packages are becoming the fastest-growing form of municipal solid waste in the U.S. and Canada.

Recycling Record – what is the track record of the Big-4 when it comes to recycling? Recycling rates for plastic bottles has been in steady decline since 1995, despite the explosion in plastic-bottle use. Not only has the industry promoted the shift from glass to plastic containers, and failed to live up to the promises about using more recycled materials in their containers, they actively oppose legislation aimed at improving recycling rates for plastic bottles, and requiring beverage container deposits. More sinister still is their use of a deceptive logo on their products that misleads consumers into thinking the product can be recycled, when the opposite is often true.

Manipulating Consumers – why are people turning from tap water to bottled water? What’s really fuelling the new bottled water culture? Ten years ago, most people relied on their municipal system for all their drinking water. Today close to one-fifth of the population in Canada and the U.S. drinks bottled water exclusively – demonstrating how extraordinarily successful the industry has been in luring people away from tap water. The industry is surgical in its targeting of the young,

the affluent, the athletic, and the hip. It capitalizes on North America’s fear and fashion factors to convince consumers to purchase its products.

School Contracting – what marketing devices have the bottled water companies used in cash-strapped schools, colleges, and universities? Across the U.S. and Canada, there is now a growing number of kindergarten to grade 12 schools, universities, and colleges that have signed contracts with Pepsi or Coca-Cola. ‘Exclusive beverage contracts’ give these companies long-term high profit access to students in captive environments. Skilful management of these exclusivity contracts turn students into life-long consumers of their products. Resistance to the deals or competition is made nearly futile under secretive contracts that are cloaked from public scrutiny.

Water Privatizing – what role and impact does the bottled water industry have on the privatization of public water utilities in the U.S. and Canada? The world’s largest for-profit water service corporations have set their sights on North America: Suez and Vivendi (now Veolia) from France and RWE-Thames from Germany are eager to deliver privatized water services, and companies like these are targeting the home/office bottled water market. The bottled water industry’s marketing of ‘safe,



clean water’ undermines citizens’ confidence in public water systems, and paves the way for the water companies to take over underfunded public utilities. In return, public willingness to pay premium prices for bottled water enables water service corporations to establish top dollar price.

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For further information on water, visit Kairos Canada at <http://www.kairoscanada.org/e/ecology/water/index.asp>