

## FACT SHEET: Public Utilities Building safe communities

All Canadians have a right to safe water, affordable energy and sustainable sanitation systems. We rely on these utilities for healthy lives and safe communities. Thousands of CUPE members work in this vital sector of our economy.

The World Trade Organization (WTO) sees these services as lucrative business opportunities. The market for power, water and sanitation services is increasingly global, with a handful of giant companies competing for contracts to provide local services. These global giants want to use the WTO's General Agreement on Trade in Services (GATS) to transfer profitable public utilities to the private sector, cashing in on Canadians' daily needs.

In the past, Crown corporations and agencies managed and regulated these services for the benefit of Canadians. Under new trade rules, a made-in-Canada energy policy becomes impossible as governments lose the ability to give Canadians a better price or assured access to power. What's worse, the federal government has made no effort to protect some public services, instead placing sewage treatment, sanitation and other environmental services squarely on the table.

The GATS forces foreign takeovers and locks them in place, with no escape. Future governments, regardless of the party, would be unable to create new policies or regulations without bowing to the GATS. We could not give preference to the needs of Canadians in times of shortage, nor ensure that the use of our resources is wise and sustainable. The GATS will override other trade agreements, creating a "level playing field" with no barriers to global market forces. Public services and private goods all get "equal" treatment in the WTO's global market, turning services into commodities. Regulations and standards are redefined as 'barriers to trade'.

## The WTO's plan for public utilities includes:

- **Corporate standards** – The WTO will review standards and regulations for utilities according to what will make the most money, not what are the healthiest, best and safest practices. Anything seen as restricting trade and profits will be challenged, using the WTO's powerful and secretive dispute resolution process.
- **Opening up Canada's water to multinationals** – Engineering and testing for water supply and sanitation services are included in Canada's commitments in GATS negotiations. Foreign companies are guaranteed the same rights as Canadian companies in providing water and wastewater services and monitoring water quality. This increases the number and scale of private sector players with an interest in privatizing water services.
- **Globalized cheap labour** – Data entry, billing information and other record work will be electronically transferred to countries with low wages. Foreign utility corporations will recruit internationally for workers they can send anywhere on a temporary basis.
- **Rising prices, disappearing jobs** – The only way to run a utility and still turn a profit for shareholders is to raise prices and/or cut service, costs and jobs. Private utilities in the UK and California have cut jobs, produced blackouts and raised prices as much as 300 per cent.
- **Loss of local control** – Foreign corporations have no obligation to meet the hiring, producing or pricing needs of the communities where they operate. Newly privatized utilities in the UK and Brazil initiated blackouts regardless of health implications for poor families.
- **Planning for profits** – Zoning decisions affect every aspect of local planning, including where businesses locate, watershed land use, the location of waste dumps, urban density and public transit. This important municipal authority could be challenged under the "market access" provisions of the GATS.
- **Corporate welfare** – Taxpayers typically pay the debts of utilities being "sold" to the private sector, just as taxpayers pay for the bailouts, incentives and subsidies to private companies that have no obligation to keep their profits in Canada.

# Public utilities are a right!