



by Brent Patterson

Federal P3 Water Fund Forces Privatization

Prime Minister Stephen Harper has announced the rules for the \$14-billion, 10-year Building Canada Fund that will take effect on April 1. And if the Harper government has its way, corporations will play an even bigger role in the building and operation of our public infrastructure.

The Globe and Mail reported, “[Municipalities] learned that any project worth more than \$100 million must be approved by a Crown corporation called P3 Canada, which will make binding decisions on whether the infrastructure must be a public-private partnership.” Other news reports suggest that the \$100-million trigger refers to the overall cost of the project, not to the funding portion – one-third to one-half – of what the federal government could contribute to the project. In other words, even if the federal government contributed \$60 million to a \$180-million project, it is still mandating that a public project be a “partnership” with a for-profit interest.

What public infrastructure projects will be subject to P3-ization under Harper?

His priority list for this fund includes drinking water and wastewater management, green energy, public transit, and post-secondary infrastructure. Specific projects will likely include a \$660-million subway expansion in Toronto, a \$5-billion LRT line in Calgary and a \$355-million project to reduce raw sewage dumped in the Ottawa River. Council of Canadians Water Campaigner Emma Lui adds these plans from the federal

budget released in February: “On page 164, Budget 2014 highlights the \$58.5 million allocated for a new wastewater plant in Regina, Saskatchewan; the \$22.9 million for a biosolids treatment facility in Hamilton, Ontario; and the \$57.3 million for a new water treatment plant in Saint John, New Brunswick.”

Prime Minister Harper has stated that P3s are “an excellent additional tool to allow taxpayers to share risk and thus help get projects completed on time and on budget. We need to see more private sector innovation and we need to see it better utilized in developing modern infrastructure.”

But study after study and experience after experience shows that this is false.

Lui has highlighted, “A study of 28 P3 projects in Ontario worth more than \$7 billion found that public-private partnerships cost an average of 16 per cent more than conventional tendered contracts. Allocating funding for water services under P3s entrenches water governance within a market framework that favours profit over human rights, environmental protection, social justice and public health.”

Council of Canadians National Chairperson Maude Barlow has warned of the implications that could arise under the Canada-European Union trade deal. “Cash-strapped municipalities can only access federal funds if they adopt a public-private partnership model, and several cities have recently put their water or wastewater services contracts

up for private bids. If Suez or Veolia are successful in bidding for these contracts (and under the new deal, local governments cannot favour local bidders) and a future city council decides it wants to move back to a public system, as municipalities are doing all over the world, these corporations will be able to sue for huge compensation.”

In 2011, the Council of Canadians participated in a successful campaign with the Canadian Union of Public Employees to defeat the P3 Stave Lake Water Project proposal in Abbotsford, British Columbia. Local voters rejected the P3 even though the Harper government promised to put more than \$65 million into the project. In 2013, we campaigned with Water Watch, CUPE and local allies to try to stop a P3 wastewater plant in Regina, Saskatchewan, and a P3 water treatment plant in Saint John, New Brunswick.

We also continue to work with CUPE to promote the Blue Communities Project in municipalities across the country, and now around the world. That initiative asks municipalities to pass a resolution promoting publicly financed, owned and operated water and wastewater services, among other things.

As Maude Barlow says, “If the right to water is to be honoured, it is crucial to keep municipal water services in public hands and to maintain their status as a public service.”

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