

THE NEW NAFTA: HOW IT IMPACTS OUR WATER

THERE IS STILL A DROUGHT OF WATER PROTECTION IN NAFTA 2.1

Water is life. Without it, we cannot live. In 2010, the United Nations recognized the human right to water and sanitation, acknowledging that clean drinking water and sanitation are essential to the realization of all human rights.

We are facing a global water crisis of unprecedented proportions. The UN reports that the demand for water will increase by 55 per cent over the next 15 years. By that time, global water resources will meet only 60 per cent of the world's demand. The water crisis could affect as many as 7 billion people by 2075.

Water, which was once thought to exist in abundance, is now facing pressure from misuse, over-extraction and relentless pollution. The world's water sources are finite and world-wide demands are increasing.

NAFTA puts water at even more risk by defining it as a commodity that can be bought and sold.

WATER IS A TRADABLE GOOD IN NAFTA

In the original NAFTA agreement, water is defined as a "tradable good." It is also referenced as a "service" or "investment." As Council of Canadians Honorary Chairperson Maude Barlow points out in her book *Boiling Point*, "included

in the annex [of NAFTA] that lists all the goods to be covered by the agreements are "waters, including natural or artificial mineral waters, and aerated waters not containing added sugar or other sweetening matter nor flavouring; ice and snow."

In NAFTA 2.1, a side letter claims to protect water, but it only mentions water in its "natural state." Once water is bought or sold it is no longer protected, and must be subject to the deal.

However, there have been some marked improvements in the new agreement.

NAFTA AND PROPORTIONALITY

The original NAFTA's proportionality clause prevents Canada from limiting or decreasing water exports once they start. That would mean the province couldn't cut back on the amount of water it was sending to the U.S. even in times of drought. This has been removed from the new

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NAFTA. However, NAFTA prevents countries from restricting exports or imposing export taxes.

NAFTA AND CHAPTER 11 REMOVED

At the same time, NAFTA's ISDS provisions, which allow corporations to sue governments over new laws or regulations that might restrict their profits, were also removed between the U.S. and Canada in NAFTA 2.1.

In the past, Canada has been sued for protecting its water under ISDS provisions. In one case, American water giant Sunbelt Inc. challenged British Columbia's water protection legislation, along with its moratorium on bulk water exports from the province, demanding \$50 million.

These ISDS provisions have been removed for Canada in the new NAFTA. Countries can still take these disputes through to country panels, or the state-to-state resolution system.

These two changes lessen the threat to water as it is defined as a tradable good. However, we need to remove all references to water as a tradable good in all trade agreements.

WATER PRIVATIZATION THREATS ARE STILL THERE

The new NAFTA 2.1 does not protect water services from being privatized.

Water isn't just exported in its raw form. Water services, through water delivery and waste treatment, are also important services. In Canada, these services are made more accessible when they are provided through the public sector.

Removing water as a "service" would help protect water as an essential public service. When private corporations provide services, NAFTA provisions limit the involvement of the public sector.

NAFTA's negative list approach means that unless a service is specifically exempted, it must be opened up to the private sector. Examples around the world have shown the negative impacts privatization has on water services, including increased rates, less accessibility and poorer quality.

Many corporations see water as a marketable good. The global annual market for water will be worth just under \$300 billion by 2020, making it very profitable for companies to buy and sell water. So while NAFTA 2.1 adds some water protections, it doesn't fully protect water from being sold as a commodity or being privatized.

Governments must remove all references to water as a service in all trade agreements.

While there are some improvements compared to the old NAFTA, water is still not adequately protected in NAFTA 2.1.

Read more at www.canadians.org/factsheet-nafta-water.



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