

FACT SHEET: Municipal Services Building strong communities

Municipal services are the ties that bind our communities together. We rely on clean water, safe streets and reliable transit as well as our libraries, playgrounds, public health and child care programs. They create healthy communities and give us our quality of life. CUPE members play a key role in building strong communities.

But the World Trade Organization (WTO) sees Canada's municipal services as a missed business opportunity. To cash in, multinational corporations, eager to make big profits, are using the WTO's General Agreement on Trade in Services (GATS) to open up Canadian municipal services for an all-out take-over.

Only those municipal services delivered and funded completely by the government are exempt from the GATS. This means that municipal services are not exempt because private companies and community not-for-profit groups provide some services, alongside the public sector.

The privatization of Canada's municipal services will be reinforced by wide-ranging GATS articles that will prohibit governments from giving preference to public municipal services. Instead private, for-profit corporations will be guaranteed the right to bid for and deliver municipal services, and will receive public dollars to do so. Municipal services hold communities together. The GATS will tear them apart.

The WTO's plan for municipal services includes:

- **Planning for profits** – Canada has made commitments that limit local councils' ability to direct and control the growth of our communities. Under the "market access" provisions of the GATS, corporations could challenge municipal zoning and urban planning decisions – such as the location of "big-box" stores, waste dumps, and the use of land for watershed and water management. Companies could challenge land use decisions that favour higher density or promote public transit.
- **Transportation take-over** – Engineering, construction and business services for road and rail transportation are on the GATS table. Policies that favour public transit could be challenged for discriminating against 'competing' modes of transport, and private foreign companies could demand equal access to public subsidies. Car dealers could challenge policies like fuel taxes and tax-exempt transit passes. Land use changes promoting public transit could be contested by developers whose business opportunities may be affected.
- **Multinational control of water and waste** – Foreign companies are guaranteed the same rights as Canadian companies in providing water and wastewater services and monitoring water quality. Provincial regulations and municipal zoning controls that limit opportunities for companies to set up waste management facilities may contravene the "market access" provisions of GATS or be challenged as "more burdensome than necessary".
- **Cracking open libraries** – Canada's GATS commitments include a wide range of technical, computer, data processing and research and development services that support library services. Foreign libraries might use a GATS challenge to demand equal access to public funding support, low postal rates, preferential tax treatment and low-cost use of public infrastructure.
- **Loss of community control** – Secret trade dispute panels have enormous power to remove standards or regulations that stand in the way of profits. The Metalclad case is a dramatic example. When a Mexican municipality tried to stop a toxic waste dump from being built because it would contaminate the local water supply, the corporation appealed to a NAFTA trade tribunal. The trade tribunal met behind closed doors and awarded Metalclad more than \$16 million in lost earnings.
- **Corporate standards and jobless growth** – The WTO will review municipal services and standards according to what will make the biggest profits – not the healthiest, best and safest practices. Under the GATS, private for-profit municipal services corporations are not required to hire locally or serve the interests of the communities where they operate. Local governments are prohibited from giving preference to local suppliers. Once in the door, for-profit municipal services contractors will cut corners and staff to save money and guarantee shareholder profits.

Municipal services are a right!