

Backgrounder: Suez corporate abuses and violations of the human right to water

- When Suez's contracts do not provide the hoped-for returns and costs are higher than anticipated, Suez threatens expensive legal actions to pressure governments of developing countries by threatening expensive legal action during contract negotiations.
- Suez "red-lines" poor neighbourhoods with restrictive contracts that exclude expansion and maintenance, denying clean and affordable water to communities, causing environmental contamination, and exacerbating poverty and hunger.
- Suez does not respect the United Nation's proclamations on the human right to water when it cuts off water to low-income families in developing nations who cannot afford to pay.
- In Buenos Aires and Santa Fe Argentina, citizen groups have called for the termination of contracts with two corporations that are Suez-controlled. Aguas Argentinas pulled out of Buenos Aires in 2002, after refusing to make promised investments to expand infrastructure, but charging high rates, cutting off citizens unable to pay and polluting water sources. Over eight years in Santa Fe, Aguas Provinciales failed to meet basic water standards or make promised upgrades, and threatened legal action when citizens demanded termination of the contract.
- The people of El Alto and La Paz, Bolivia have organized massive pressure to force the government to end a contract with Suez subsidiary Aguas de Illimani. The contract guarantees Aguas de Illimani a 13% rate of return while leaving 200,000 El Alto residents without access to water. Countless others cannot afford the US\$435 connection fees – a cost almost eight times the monthly minimum wage in Bolivia. Suez is threatening legal action.
- Laredo, Texas, recently cancelled its contract with Suez subsidiary United Water when the corporation demanded more money than was agreed to in the contract.
- United Water's operation of Milwaukee's wastewater system has been marked by repeated sewage spills. United Water's insurer recently paid residents compensation for damage after sewage backed up into their homes.
- Jersey City officials were shocked to learn last year that United Water diverted \$1.2 million worth of the city's water to other communities in New Jersey without paying Jersey City.
- In 2003, the mayor of Atlanta cancelled America's biggest private water contract. The privatization deal with United Water had failed to deliver on many key promises, instead piping filthy brown water to Atlantans while trying to add millions in costs to its contract.
- In Halifax, Nova Scotia, the regional government cancelled its public private partnership contract with Suez's North America subsidiary, United Water. The corporation led a consortium that spent five years negotiating a contract to operate sewage treatment plants. United Water was sent packing after the consortium refused to assume the risks associated with running the sewage treatment system, including accepting responsibility for failing to meet environmental standards in the future. The region's mayor said going public will save millions of dollars.