

ANOTHER PUBLIC-PRIVATE PARTNERSHIP DISASTER

Canada: Hamilton-Wentworth Water & Wastewater Treatment Plant

Hamilton-Wentworth Water & Wastewater Treatment Plant is another 3P disaster from around the world – a disaster much like the failures (SR 91 and SR 125) that have cost California taxpayers hundreds of millions more than they should have. Because they are so profitable, it is not a surprise that multi-national companies and Wall Street investment houses want to bring more such 3Ps to the “lucrative” California market.

What the experts say:

According to Canadian Dimension Magazine, “The citizens of Hamilton, Ontario, suffered through one of Canada’s most infamous examples of the disastrous consequences of privatized water and wastewater treatment.” In 1994, the city awarded an untendered contract to Philips Utilities Management Corporation in return for promises of local economic development, new jobs and cost savings. What the community got instead was a workforce slashed in half within eighteen months, a spill of 480 million gallons of raw sewage into the harbor, the flooding of 200 homes and businesses, and major additional costs. In the ten years that followed, the contract shifted four times — with two companies now bankrupt, one of them a subsidiary of Enron.¹ The Hamilton Spectator reported on April 24, 2006 that reverting back to public ownership and operation saved the city at least \$1.2 million in its first contract year, compared to private operation.²

The Public Interest Alternative

- Require competitive bidding.
- Require public oversight, design and inspection to ensure public safety and cost controls.
- Utilize tax exempt public financing which is as much as 35 percent lower than private borrowing.
- Tolls should be reinvested in our transportation and other public infrastructure.
- Prohibit non-compete clauses and cash payments that prevent improvements to competing public roads, increasing congestion.

¹ Canadian Dimension Magazine, “Communities, Not Corporations: The Clear Choice for Canada’s Water” September/October 2006 Issue

² The Hamilton Spectator, “Waterworks flushed with success after first year, says report” April 24, 2006

