

The Honorable Chuck Schumer
Majority Leader
United States Senate
Room S-221, The Capitol
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Room S-230, The Capitol
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Room H-305, The Capitol Room
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, DC 20515

Date: July 1, 2021

No Water Privatization in the Infrastructure Plan

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi, Leader McCarthy, Senate Budget Committee Chair Sanders, and House Budget Committee Chair Yarmuth:

We, the undersigned 218 organizations, oppose the Bipartisan Infrastructure Framework that promotes privatization, and we urge you to reject it and water privatization in all its forms and fight for a bold, uncompromising infrastructure package that provides real federal funding at the level our communities urgently need.

The outline of the [latest bipartisan infrastructure framework](#) would promote a slew of privatization activities. The proposed financing sources for new investment include public-private partnerships, private activity bonds and asset recycling.¹

That provision promotes a Wall Street takeover of essential services like public water. It is dangerous for the public and undermines public access to essential water services.

Water privatization is an incredibly expensive financing option. Privatization through public-private partnerships, private investment schemes or asset recycling is not a source of new funding, but an expensive and high-risk way to finance water projects. The typical water public-private partnership carries a cost of capital that can be five times the cost of the low interest bonds available to municipal water systems.

Water privatization will lead to rate hikes on households already struggling to afford their water bills. Because the private entity recovers its financing costs and profit through user bills,

¹ A [public-private partnership](#) is a type of privatization arrangement wherein a government contracts with a private entity to operate a government-owned infrastructure project, and it can involve managing, designing, building and financing a project. [Private activity bonds](#) provide tax benefits to support financing privatized projects. [Asset recycling](#) refers to selling or leasing off public infrastructure to finance another infrastructure project.

privatizing water and sewer systems lead to considerable rate hikes for households and local businesses. Already, nearly one in three U.S. households struggles to afford their water and sewer bills, and households nationally have accrued billions of dollars of water debt during the pandemic. They cannot afford the price of privatization.

The problem at hand is that local government utilities rely almost exclusively on water bills to cover the cost of infrastructure projects because of the loss of federal support for water infrastructure. Federal funding has fallen by 77 percent in real terms since its peak in 1977. Local governments cannot continue to raise their water rates to levels that are increasingly unaffordable for households. Our public water utilities have a *funding* problem, not a *financing* problem. Privatization would only exacerbate the main problem facing our public water utilities.

Water privatization is not a viable or just solution for rural, small or disadvantaged communities. Private companies focus on profit maximization and avoid areas where per-household costs are high, the customer base has less wealth and bill collection problems can abound. A private company will acquire such a system if the system is contiguous to its existing network and if it can redistribute the costs across its other service areas. Because water rates are regressive, this type of subsidization is inequitable and disproportionately burdens working- and middle-class families across communities.

Water privatization can trap communities in expensive deals. Public-private partnerships that involve private financing are usually 30 to 40 years long, and they are extremely difficult to exit early. After taking office, the new municipal services director in Bayonne, NJ, posed as his first question: how do we get out of the city's water concession contract? He was told the city would have to repay the \$150 million concession fee that it no longer has. Since entering into a decades-long concession deal in 2012, Bayonne has experienced rate hikes of 50 percent despite promises of rate stabilization. According to the Hudson Reporter, a Board of Education Trustee recently told the new city council, "You didn't sign the contract, and neither did the citizens of Bayonne, but everyone is suffering because of it." Similarly, Middletown, PA, was unable to exit its water concession deal, and attempted to stop surcharges in court and lost.

Water privatization is not a solution for our nation's water needs. Water privatization can increase costs, worsen service quality and allow infrastructure assets to deteriorate. There is ample evidence that maintenance backlogs, wasted water, sewage spills and worse service often follow privatization. In fact, poor performance is the primary reason that local governments reverse the decision to privatize and resume public operation of previously contracted services.

Communities need real federal dollars spent on drinking water and wastewater infrastructure. The most comprehensive funding solution on the table is the WATER Act (HR1352, S916). The WATER Act would provide \$35 billion a year to fully fund our water infrastructure at the level that is needed according to EPA needs surveys.

We urge you to reject this proposed water privatization scam and fight for a bold package that provides the support our communities need. Do not compromise on water.

Sincerely,

National Organizations

21st Century School Fund
Action Center on Race and the Economy
AFSCME, AFL-CIO
Alliance for Democracy
Anthropocene Alliance
Atlantic Coast Conference Climate Justice Coalition
Aytzim: Ecological Judaism
Businesses for a Livable Climate
Carmic Productions
Catholic Divestment Network
CatholicNetwork US
Center for Biological Diversity
Conscious Living, LLC
Corporate Accountability
Family Farm Defenders
Food & Water Watch
Friends of the Earth
Global Justice Ecology Project
Grassroots Environmental Education
Great Old Broads for Wilderness, Rio Grande Valley Broadband
Greenvest
Gulf Coast Center for Law & Policy
Holy Spirit Missionary Sisters, USA-JPIC
In the Public Interest
Institute for Agriculture and Trade Policy
Institute for Policy Studies Climate Policy Program
Interfaith Oceans
International Marine Mammal Project of Earth Island Institute
Kairos Center for Religions, Rights and Social Justice
National Coalition for Legislation on Affordable Water (NCLAWATER)
National Homelessness Law Center
NETWORK Lobby for Catholic Social Justice
Nuclear Information and Resource Service
Ocean Conservation Research
our developing world
People's Tribune
Protect All Children's Environment
Public Citizen
Rapid Shift Network
RECODE.org
Sequoia ForestKeeper®
Sisters of Bon Secours, USA
Sisters of Charity Federation
Sisters of Charity of Nazareth
Congregational Leadership
Sugar Law Center for Economic and Social Justice
SumOfUs
System Change Not Climate Change
The Democracy Collaborative
The United People Project
Toxics Information Project (TIP)
Unitarian Universalist for a Just Economic Community
United Native Americans

United Religions Initiative, American Ethical Union

Women's International League for Peace and Freedom

Alabama

Earth Action, Inc.*

Alaska

Sunrise Movement Anchorage Chapter

Arizona

Don't Waste Arizona

Physicians for Social Responsibility AZ Chapter

Progressive Democrats of America, Tucson, AZ Chapter

Sisters of St. Joseph of Carondelet, LA*

Arkansas

CEO Pipe Organs/Golden Ponds Farm*

California

CA Businesses for a Livable Climate

California Democratic Party Environmental Caucus

First Wednesdays San Leandro

Gildred Family Properties

LAANE

Long Beach Gray Panthers

Media Alliance

Mendocino Women's Political Coalition

MLK Coalition of Greater Los Angeles

North County Watch

Seven Circles Foundation

Social Eco Education (SEE-LA)

Topanga Peace Alliance

Women's International League for Peace and Freedom, Santa Cruz branch

Local Clean Energy Alliance

Sisters of St. Joseph of Carondelet, LA*

Colorado

Call to Action Colorado

Clean Energy Action

CO Businesses for a Livable Climate

Colorado Small Business Coalition

Denver Justice and Peace Committee (DJPC)

Empower our Future - Colorado

North Range Concerned Citizens

San Luis Valley Ecosystem Council

Spirit of the Sun
The Green House Connection Center

Unite North Metro Denver
Wall of Women

Connecticut

Collaborative Center for Justice

Delaware

Damascus Citizens for Sustainability*

District of Columbia

1199SEIU Maryland/DC*

DC Environmental Network*

Florida

Aquamarine Studio
Earth Action, Inc.*
Florida Alliance for Retired Americans
Friends of Perdido Bay

LULAC Council 7259
Nature Coast Conservation
Okaloosa County Democratic Environmental
Caucus of Florida

Hawaii

350 Hawaii

Sisters of St. Joseph of Carondelet, LA*

Illinois

#NoAmerenShutoffs*
Benedictine University
For Love of Water (FLOW)*
Freshwater Future*
Greater Highland Area Concerned Citizens

Sisters of the Presentation, Dubuque, Iowa*
The Freshwater Lab
United Nations Association of Greater
Chicago
We the People of Detroit*

Indiana

Citizens Action Coalition
For Love of Water (FLOW)*

Freshwater Future*
Hoosier Interfaith Power & Light

Iowa

#NoAmerenShutoffs*

Ames Climate Action Team

coasap

Iowa Citizens for Community Improvement

Sisters of the Presentation, Dubuque, Iowa*

Kansas

Sisters of Charity of Leavenworth Office of Justice, Peace, and Integrity of Creation

Kentucky

Sisters of Charity of Nazareth Western Province Leadership

Louisiana

350 New Orleans

Earth Action, Inc.*

GNOHA

Water Collaborative of Greater New

Orleans

Maine

350 Maine

Change Begins With ME (Indivisible)

Mainers for Accountable Leadership

Maryland

1199SEIU Maryland/DC*

Assateague Coastal Trust

Chesapeake Climate Action Network
(CCAN)*

Clean Water Linganore, inc.*

DC Environmental Network*

Greenbelt Climate Action Network

Maryland Legislative Coalition

Public Justice Center

SANIPLAN

University of Baltimore School of Law

Community Development Clinic

Massachusetts

Climate Justice at Boston College

Fossil Fuel Divest Harvard

Jewish Climate Action Network

Lower Cape Indivisible

Sisters of the Presentation of the Blessed
Virgin Mary*

Michigan

Flint Rising

For Love of Water (FLOW)*

Freshwater Future*

Michigan Citizens for Water Conservation

Michigan Coalition for Human Rights

Michigan Unitarian Universalist Social
Justice Network (MUUSJN)

Northern Michigan Environmental Action
Council

Straits Area Concerned Citizens for Peace,
Justice and Environment

We the People of Detroit*

Minnesota

CURE (Clean Up the River Environment)

Freshwater Future*

Sisters of the Presentation, Dubuque, Iowa*

Vote Climate

Mississippi

Earth Action, Inc.*

Nebraska

Sisters of the Presentation, Dubuque, Iowa*

New Jersey

Bucks Environmental Action*

Clarke For Senate

Common Interests, LLC

Damascus Citizens for Sustainability*

Genesis Farm*

MoveOn.org Hoboken

New Jersey Tenants Organization

North Jersey Sierra Group

Northern NJ NOW

Occupy Bergen County

Sisters of the Presentation of the Blessed
Virgin Mary*

Waterspirit

New Mexico

CommonGround Community Trust

Concerned Citizens for Nuclear Safety

YUCCA Action

New York

Alliance for a Green Economy
Bailey's Cafe
Church Women United in New York State
Coalition to Protect New York
Damascus Citizens for Sustainability*
Freshwater Future*
Gas Free Seneca
Genesis Farm*
Grassroots Action NY
Jewish Climate Action Network NYC
Metro N.Y. CATHOLIC Climate Movement
New Paltz Climate Action Coalition
North American Climate, Conservation and Environment (NACCE)
NYC H2O
NYVC Grassroots Alliance
Orange Residents Against Pilgrim Pipelines

People for a Healthy Environment
Residents Allied for the Future of Tioga (RAFT)
Sanford-Oquaga Area Concerned Citizens (S-OACC)
Seneca Lake Guardian A Waterkeeper Alliance Affiliate,
Sisters of Charity of New York
Sisters of St. Dominic of Blauvelt, New York
Sisters of the Presentation of the Blessed Virgin Mary*
South Asian Fund For Education, Scholarship and Training Inc
Stop the Algonquin Pipeline Expansion
Sullivan Alliance for Sustainable Development
Thomas Berry Forum
We the People of Detroit*
WESPAC Foundation, Inc.

North Carolina

350 Triangle
Fayetteville Police Accountability Community Taskforce

River Guardian Foundation
Triangle Women's International League for Peace and Freedom

Ohio

Athens County's Future Action Network
Damascus Citizens for Sustainability*
For Love of Water (FLOW)*
FreshWater Accountability Project
Freshwater Future*

Junction Coalition
Sustainable Medina County
Thrive_At_Life: Working Solutions
We the People of Detroit*

Oregon

Blue Mountains Biodiversity Project

Pennsylvania

350 Bucks County PA

Berks Gas Truth

Bucks Environmental Action*

Clean Water Linganore, inc.*

Closing the Water Gap

Damascus Citizens for Sustainability*

Freshwater Future*

Genesis Farm*

Grey Nuns of the Sacred Heart

NOPE - Neighbors Opposing Privatization Efforts

Pennsylvania Council of Churches

Physicians for Social Responsibility Pennsylvania

Project CoffeeHouse

Responsible Drilling Alliance (RDA)

Sisters of St. Francis of Philadelphia

UpstreamPittsburgh

South Dakota

Sisters of the Presentation, Dubuque, Iowa*

Tennessee

Knoxville Water and Energy for All

Texas

Climate Reality Project Dallas Fort Worth Chapter

COCO-Coalition of Community Organizations

Earth Action, Inc.*

Terra Advocati

Utah

Sisters of St. Joseph of Carondelet, LA*

Virginia

Chesapeake Climate Action Network
(CCAN)*

Clean Water Liganore, inc.*

Friends of Buckingham

Loudoun Climate Project

Our Revolution Falls Church

Our Revolution Virginia

Sustainable Roanoke

Union Hill Freedmen Family Research Group

Virginia Community Rights Network

Virginia Interfaith Power & Light

Washington

Seattle Works

West Virginia

Chesapeake Climate Action Network
(CCAN)*

Damascus Citizens for Sustainability*

OVEC-Ohio Valley Environmental Coalition

Wisconsin

CEO Pipe Organs/Golden Ponds Farm*

For Love of Water (FLOW)*

Freshwater Future*

Kickapoo Peace Circle

Milwaukee Riverkeeper

We the People of Detroit*

Wisconsin Resources Protection Council

**Regional organization operating in multiple states*