

“Let The People Vote”

How Transnational Corporations Undermine Grassroots Democracy

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“Let the people vote,” exclaimed the citizens of Stockton California. They were speaking in opposition to the deal that German energy giant RWE’s subsidiary Thames Water and Denver-based OMI made with the mayor that contracting with RWE/Thames/OMI to run their water/sewer system would bring cost-savings to the city. Flaunting a scheduled referendum on the question after citizens had collected the requisite number of signatures, the mayor had the city council vote on the contract before the people could vote. The documentary *Thirst* shows Mayor Podesta saying “Do I think the people should vote? Absolutely not!” as he ordered the police to close the doors on the spillover crowd chanting “Let the people vote!” *Thirst* also shows RWE’s CEO speaking at the Third World Water Forum in Kyoto and saying they would never go where people did not want them.

So what does RWE do when the mayor of a city does not want them? In Lexington, Kentucky, the mayor supported having the city buy its water/sewer system from RWE which had acquired the private system when it bought American Waterworks. In fact the city had been in court to set the price for the takeover by eminent domain. In the next election, RWE helped make sure that enough sympathetic council members were elected to reverse the takeover decision. The people wanted

a vote. They collected the necessary signatures to have a special election in November 2005. RWE went to court to stop the election. They lost in the two lower courts then won in the state supreme court. The people could not vote in a special election!

RWE was still in court to prevent a vote of the people in the November 2006 regular election. Meanwhile, RWE decided that water was no longer as profitable as their core energy business and began looking for buyers in Spring 2006.

Perhaps to shine up their tarnished image, RWE withdrew their court case. “As we continue to analyze the issue on condemnation, it’s clear the issue is one that will continue to



This sign at a rally in Lexington Kentucky on November 8, 2005 says it all. photo: justicelist.typepad.com

distract our community and our company,” Kentucky American president Nick Rowe said in a statement. “The best thing for all of us is to let our customers vote.”

Lane Boldman, with the local Sierra Club noted, “They backed down because we managed to elect some very ‘pro-public water’ candidates for the city council slate during our primaries last week. That means we will have a majority pro-public water Council come November. So if they didn’t allow it on the ballot, they would invariably lose if the issue went to the council.” She expects RWE to “start a negative media blitz again” to influence the vote. In fact by press time, she had already received a mailing from Kentucky American containing a return postcard for customers to send saying they are against condemnation. “I assume they are gearing up to collect names and emails for their next publicity blitz,” she said.



Lexingtonian Mary Steckbeck makes a point. photo: justicelist.typepad.com

ReWirE American Water

RWE’s move to sell its water business opens up many opportunities for local communities to begin proceedings to take over their system. In fact this is already happening in seven towns -- Monterey and Felton CA, Urbana, Champaign, and Pekin IL, Gary IN and Chattanooga TN. Food and Water Watch has begun a campaign ReWirE American Water! Saying “We demand that RWE negotiate fairly with cities and communities interested in purchasing their local water utility. Having learned from communities’ experiences with RWE, we demand that our local and state elected officials stand up for local ownership of water everywhere.” To learn more and join the campaign, go to www.foodandwaterwatch.org/water/corporations/reWirE