Sarah Miller

From: wateract-l-bounces@list.web.net on behalf of Susan Howatt [showatt@canadians.org]
Sent: April 3, 2007 4:28 PM
To: wateract-l@list.web.net
Subject: [Wateract-l] Ontario to tax water bottlers
Attachments: ATT574509.txt

This announcement by the province to introduce a tax on water takings for bottling purposes is one of those "looks like a good idea" but a further scratch below the surface reveals much to be concerned about I think.

This is certainly a bandaid fix and a very misguided approach to reigning in the exploding bottled water industry. This tax structure will not be an effective disincentive to unsustainable water takings because industry has the ability to relay any increase in production costs over to the consumer. We will see higher prices of bottled water, rather than an effective regulation of water takings that applies an ecosystem approach and the precautionary principle.

Bottled water is the ultimate form of water privatization, and by tying provincial revenue to an extraordinarily destructive practice (the pollution, the plastics, the use of fossil fuels) Ontario is sending the wrong message to its people by acknowledging that bottled water is here to stay and we might as well grow our coffers while we're at it. Bottled water undermines our confidence in public services and a better approach would be to invest in our public systems and promote the safety and efficiency of our municipal tap water and give this industry the push back it deserves.

Ontario is introducing this measure at the same time as they begin ratification of the Great Lakes Annex, an agreement that "bans" diversions, but is ultimately is full of loopholes, none the least of which is the provision that any water packaged in containers under 20 L is exempted from diversion regulations.

I think it is time for a Back to the Tap movement!

Ontario to tax water bottlers

April 03, 2007
KERRY GILLESPIE
PETER GORRIE
STAFF REPORTERS

The province plans to slap a fee on companies that bottle large amounts of water taken from the Great Lakes basin, the *Star* has learned.

But legislation to be introduced today in the Legislature isn't expected to set a firm dollar figure on the water-taking fees, sources said.

Instead, the government will simply authorize itself to consult and negotiate details with affected parties, including the booming bottling industry, which is expected to oppose any additional costs on its operations.

The legislation would also enshrine into law a deal signed in December 2005 by Ontario, Quebec and eight U.S. states to strengthen restrictions on bulk water

exports out of the Great Lakes. It's aimed mainly at preventing states in the south and Midwest – whose water supplies are running low – from tapping into the lakes.

Both measures are part of the government's attempt to paint itself as environmentally green in the run-up to the provincial election in October. However, it's not clear whether the negotiations with the bottlers and other commercial water users – or the fees to be imposed – would be complete by voting day.

Even so, a Liberal source trumpeted the move.

"There's a real recognition, it starts with the premier and goes on down through the government, that we can't just sit idly by and wait for others to do something on the environment," the source said.

"We have to take some initiative ourselves and that means, where we can, working across borders with states and provincial counterparts to either clean up the air we breathe or the water we depend on," the source said.

The fee on commercial water users was part of the Liberal platform in the 2003 provincial election campaign.

"We will stop allowing companies to raid our precious water supplies," campaign documents stated.

The province imposes only a tiny charge for its mandatory permits for taking large amounts of water. During the campaign, the Liberals accused the previous Conservative governments headed by Mike Harris and Ernie Eves of giving a free ride to the province's fastest-growing beverage business.

"Companies that want to take oil from the ground or trees from the forest have to pay for that privilege. ... But when companies want to bottle our water or export it as part of other products, the Harris-Eves government gives it to them free and without any consideration of the impact on local aquifers," the campaign literature said.

"We will end this reckless giveaway."

That promise was based on incomplete information, Elizabeth Griswold, executive director of the Canadian Bottled Water Association, said in a radio interview last year.

The industry insists it's not a threat to the province's groundwater supply and complains it is being unfairly singled out.

Although consumption of bottled water in Canada jumped nearly 20 per cent between 2004 and 2005, provincial statistics show bottlers take less than two-

tenths of 1 per cent of all the water extracted from Ontario's lakes, rivers and underground streams, the association stated in a report last year.

"The amount of water that we're using as an industry is equal to the amount 10 golf courses use in a year," Griswold said.

The Liberals' proposed legislation does not spell out exactly what constitutes large amounts of bottled water.

The Liberals "didn't understand the bottled water industry," she said. "Bottled water is not a threat to Ontario groundwater resources."

Some 40 million people live on both sides of the border in the Great Lakes basin, which holds 20 per cent of the world's fresh surface water. The basin encompasses the land bordering the lakes and the rivers that feed the lakes.

Fear over the future of the lakes spiked in 1998 when Harris's government issued a permit to export up to 600 million litres of water a year from Lake Superior for sale in Asia. The permit was later revoked and Ontario now bans all Great Lakes water diversion.

Public outrage on both sides of the border sparked the process of getting the Great Lakes-St. Lawrence River Basin Sustainable Water Resources Agreement – the second part of today's announcement.

It took years of negotiations to get to a deal that Ontario was willing to turn into legislation. "During those negotiations Ontario was able to get state governments to come a lot further than they had originally anticipated in providing protection in Great Lakes water," the Liberal source said.

From: Brent Patterson
Sent: Tuesday, April 03, 2007 11:53 AM
To: Susan Howatt
Subject: draft UPDATE: Concerns with the Great Lakes Annex remain

Dear chapter activists,

As noted in the Canadian Press story first reported last night, "Legislation to strengthen the protection of water in the Great Lakes will be introduced Tuesday in the Ontario legislature."

The article also reports, "The agreement strengthens the ban on water transfers out of the Great Lakes, which will prevent parched states in the U.S. south and Midwest from raiding the huge fresh-water lakes for their own needs. It will also allow provinces and states bordering the Great Lakes to seek a judicial review of water diversion and withdrawal decisions made by their neighbouring jurisdictions...The Ontario sources say the legislation shows a willingness on the province's part to take the lead on cross-border environmental issues instead of waiting for federal governments to act."

The Council of Canadians has argued that the protection of the Great Lakes should remain a bi-national

responsibility regulated by the International Joint Commission (IJC), in which Canada and the U.S. are equally represented. The Great Lakes Annex transfers this responsibility to a regional body, which will be far less effective in protecting Canadian interests.

Two key problems with the Great Lakes Annex remain:

1. The federal government must take responsibility for protecting the Great Lakes.
The federal government is the only body with the authority to negotiate international agreements on shared natural resources. The Council of Canadians is calling on the federal government to intervene immediately.

2. The IJC must retain its authority
The federal government must also uphold the integrity of the International Joint Commission by ensuring that it remains the primary body responsible for deciding disputes over the management of the Great Lakes. The Great Lakes Annex sets up a separate, parallel body to the IJC, wherein Canada is not fairly represented, to settle disputes over the Great Lakes.

For extensive analysis on the Great Lakes Annex, you can go to the Council of Canadians website at http://www.canadians.org/water/issues/Great_Lakes/index.html.

Thanks,
Brent

CP exclusive: Ontario to introduce bill to protect Great Lakes water quality
KEITH LESLIE
April 2, 2007

TORONTO (CP) - Legislation to strengthen the protection of water in the Great Lakes will be introduced Tuesday in the Ontario legislature.

The Canadian Press has learned that the Ontario government was successful in convincing the American states involved in the plan to agree to much tougher rules than were originally outlined. The bill will implement a deal signed in December 2005 between Ontario, Quebec and eight U.S. states called the Great Lakes-St. Lawrence River Basin Sustainable Water Resources Agreement.

The agreement strengthens the ban on water transfers out of the Great Lakes, which will prevent parched states in the U.S. south and Midwest from raiding the huge fresh-water lakes for their own needs.

It will also allow provinces and states bordering the Great Lakes to seek a judicial review of water diversion and withdrawal decisions made by their neighbouring jurisdictions.

The Ontario sources say the legislation shows a willingness on the province's part to take the lead on cross-border environmental issues instead of waiting for federal governments to act.

"This will mean more protection of our Great Lakes water and . . . a cleaner environment," the source said on the condition of anonymity.

Quebec's National Assembly has already ratified the agreement, but hasn't yet updated its water use laws. All three of the province's major parties are considered supportive of the water agreement, so the Liberals' loss of their majority in last month's provincial election shouldn't threaten the deal.

Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania and Wisconsin are the U.S. signatories.

Environmental advocates had complained that the Sustainable Water Resources Agreement benefited developers rather than the public, and did not adequately address intra-basin diversions, the legal transfer of water from one lake to another as long as it stays within the Great Lakes Basin.

There's been little research on the possible negative effects of large transfers in the Great Lakes Basin, and Environment Canada forecasts a one-to-1.5-metre drop in water levels for some of the Great Lakes over the next 50 years due to climate change.

Minnesota was the first state to ratify the deal, which easily cleared its House and Senate in February, but enabling legislation in many other signatory states is still on the drawing board.

The Illinois House approved the deal 115-0 and supporters were optimistic about the Senate, where a vote is expected soon.

In Michigan, House and Senate bills have been introduced to ratify the pact, which Democratic Gov. Jennifer Granholm supports.

The compact got off to a good start in New York when approved by the Assembly in 2006. But it went nowhere in the New York State Senate because many senators were unhappy that it lets citizens sue government agencies over alleged violations, such as permitting excessive water withdrawals.

The Ohio House approved the compact last year, but it bogged down in the state Senate when conservatives said it would infringe on state sovereignty and property rights.

A special committee in Wisconsin is seeking common ground on a number of issues before bills are introduced to approve the compact.

The water protection pact hasn't made much of an impact in Pennsylvania, where the only part of the state adjacent to the Great Lakes is the far northwestern corner, with 65 kilometres of Lake Erie frontage. Some of the north-central part of Michigan drains into Lake Ontario.

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