

PRESENTATION TO THE CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE – CAPITAL REGIONAL DISTRICT

February 25, 2010

Good afternoon. Thank you for letting me speak today. My name is Robin Jane Roff and I represent the Canadian Union of Public Employees.

What is clear from the comments today and those you have heard throughout the planning of this project is **that residents of the Capital Regional District WANT THIS SYSTEM TO BE PUBLICLY OPERATED.** You have heard this, not just from CUPE or the Labour movement, but also from the local business community, environmentalists, community groups and seniors groups.

This was most recently reiterated in the CRD's report on the public consultations released yesterday. This documents states, and I quote, that one of the key themes heard throughout the process is a **“community desire to have a locally built, publicly owned and managed treatment facility(ies).”**

I am not going to reiterate all the reasons why a public system is better or the problems with P3s. You've heard enough of that today. What I want to do is to raise a couple of our concerns that come out of the discussion paper on procurement.

It is unclear to us why the hybrid option assumes that the Energy Centre and the Westshore will be privatized. The document provides no arguments to justify this decision.

Why should the residents of the Westshore be saddled with a P3 when no one else is?

The only rationales we have heard to date are political ones.

We were under the impression that the selection process was based on an objective evaluation of the facts.

The facts do not support a public-private partnership anywhere in this system.

This committee must fully consider the implications of having a hybrid system. How will the two systems be effectively integrated? What kind of services will be duplicated and what are the cost implications of this?

Vancouver's transit system is a hybrid, similar to that proposed in the CRD. The two sections, the Canada Line and the rest of Translink, have separate operation

centres. This means the entire system costs residents more and it greatly increases the difficulty of coordinating procedures.

You should consider this carefully as you make your decision.

In terms of privatizing the Energy Centre, the only justification we have heard is that the private sector has the best available technology. But ownership of a particular technology is not sufficient reason to hand over operation and control to the private sector... especially when the public sector has proven expertise in this domain.

In fact, if you turn to p. 36 of the February 3rd discussion paper on procurement you will see that your own analysis indicates that the **fully public model provides the best opportunity for innovation and future adaptation of the system for sustainability**.

It also clearly says that only **the public model will provide the flexibility necessary to adopt best practices in the long term**.

The headings on this table do not properly reflect what is written below. The P3 option is listed as the best option, however the only negative is attributed to the P3 model – which is that integration of future changes is limited and would come at a premium.

So why hand over control to the private sector when, by your own account, the result is less flexibility and adaptability?

It is also simply wrong to assume that private companies are more capable of running resource recovery systems. There are many examples of public sector operation of resource recovery technology. Whistler and Vancouver are two examples of municipalities that have created cutting-edge, public heat and biosolid systems. These could and should be used as models for what you develop here in the CRD.

Before I close, I'd like to share with you the most recent example of a P3 failure and why you can't rely on the private sector to be cost effective or to provide the best technology.

The City of Brussels in Belgium signed a 20-year agreement with Aquiris in 2003 to build and operate their wastewater plant. The facility was supposed to include proprietary cutting edge treatment technology and be completed by 2007.

What actually happened is that Aquiris' technology was not capable of functioning at the scale required and their plant designs had serious structural flaws.

When this came out, Aquiris demanded an additional 40 million Euros to upgrade the not-yet- finished project.

The City refused, of course, saying that the company was responsible for the construction risk.

In return, the company just shut the plant down and dumped the sewage into the river system.

The City was at the mercy, as so many are in P3s, of the private company.

The end result, is that the City has been forced into costly litigation and the residents of Brussels are now saddled with decades of debt, mountains of untreated sludge and a brand new plant that is unable to perform to the contracted standards without upgrades.

This is just the latest example. There are of course, many, many more.

You were elected to protect the public interest. The public is telling you they want this system to be public. It doesn't make sense to hive off any component to the private sector. I urge you to listen to what residents are saying and keep the entire system publicly owned and operated.

Prepared and presented by:

Robin Jane Roff

BC Anti-Privatization Coordinator

Canadian Union of Public Employees

rroff@cupe.ca