



FREQUENTLY ASKED QUESTIONS ABOUT VEOLIA

What is Veolia?

Veolia is the world's largest water privatization corporation. The French multinational corporation is infamous for disastrous environmental practices, labor abuses, mismanagement, embezzlement, bribery, corruption, fraud, discrimination and support for illegal settlements in Palestine, and failure to make good on promised improvements. It is also a financial liability.

Please refer to our facts sheets for a wealth of examples, case studies, and documentation.

What is the history of this contract with St. Louis?

The French multinational has been itching for a contract with the city for years, as outlined in a recent front-page [exposé](#) in the *Riverfront Times*. With Mayor Slay's support, Veolia initially approached the city with a proposal that included outsourcing and reference to staff levels being too high (implying a need for layoffs). When that failed, the corporation returned with a similar proposal for a "parallel command structure." The water division said no way. Now, the latest iteration is a proposal to pay the corporation a quarter of a million dollars to make a case for what they think we should do with our water.

Who made the decision to recommend Veolia?

A five person committee was tasked with making recommendations to the E and A. The committee consisted of a member of Mayor Slay's office, a member of Comptroller

Green's office, a member of President Reed's office, the water commissioner and a civil service worker at the water department. The decision to advance Veolia was not unanimous. The civil service worker voted no, citing concerns about Veolia. Reed's office abstained because 3 of the 5 cities that Veolia gave as references did not respond to inquiries.

What is the Dump Veolia Coalition?

When the public learned of the contract in December 2012, after a concerned worker leaked it to the *Riverfront Times*, groups around St. Louis began mobilizing in opposition to Veolia, forming the St. Louis Dump Veolia Coalition. In December, residents packed the St. Louis E&A meeting, prompting the board to call for an [investigation](#) into the corporation. In January, a diverse group of more than fifty environmentalists; workers; human rights activists, civil rights leaders; veterans; local business owners; students; members of the local Muslim, Christian, and Jewish communities; and other concerned citizens packed a meeting of the St. Louis Board of Estimate & Apportionment, which considers such contracts, and lined the halls to Slay's office to show opposition to Veolia. There was no public support for Veolia.

Since then, the campaign has caught the attention of the world, with letters of support and petition signatures flooding in from all corners of the globe. The topic has become a major issue at countless mayoral debates, candidate meet-and-greets, fundraisers, and other election-related functions. For example, it was the single most popular question topic at the February 11th mayoral debate at Grand Center.

Is this privatization?

Nobody is claiming that the latest Veolia proposal is for outright privatization. But time and time again, these consultancy contracts -- which appear to be Veolia's new *modus operandi* when direct privatization efforts are rebuffed -- have consistently served as a backdoor avenue for outsourcing municipal operations and a key tool for the corporation to pry open resistant markets. For example, Veolia's 12-month interim executive management agreement with Pittsburgh Water and Sewer Authority has also moved past the consulting phase. Unfortunately, to Veolia and other privateers "improvement" too often means layoffs, labor rights abuses, higher water rates, as well as health and safety violations. In addition to privatizing public resources, Veolia also specializes in public-private utility hybrids, where cities retain ownership and Veolia runs operations for profit. Common sense and a cursory search into this corporation's history illustrate

that there is nothing innocent about Veolia or this contract.

However, Board of Aldermen President Lewis Reed during the recent Mayoral Forum publicly stated that two years ago, Veolia did approach the city with a proposal to privatize. The St. Louis Post Dispatch covered this in 2010 and 2011, stating, “*Mayor Francis Slay's administration has long said that it would certainly consider selling the water division, but not until it's worth a lot more money.*” (StLPD, Hunn, D. 3-9-11)

Are we misinformed? Won't it be different in St. Louis?

Veolia's track record includes labor abuses, environmental degradation, increased rates, failed contracts, negative impacts on local economy as well as reduced access to water for those who need it most.

As Veolia's practices have come to light, defenders of the St. Louis contract are insisting that there is nothing to worry about because we won't let Veolia do to us what they've done elsewhere. But if we are so clear that we want to steer clear of Veolia's shady dealings, why on earth should we select them as the best company to outline our water division's future?

Veolia's operations and finances are in distress as the corporation has absorbed significant losses recently and intends to withdraw operations in half of the countries in which it operates. In addition, Veolia's weak performance has opened its operations to a potential merger within the next couple of years by the French water transnational Suez. Veolia is in a period of retrenchment and restructuring, which creates instability and a poor outlook for its future operations. St. Louis faces a serious risk by entering into a partnership with a corporation facing such significant obstacles regarding its finances and operations.

Why vote on this today?

We agree our water system is a priority. Veolia is a company that the public has overwhelmingly spoken out in opposition. The only people defending this company are Mayor Slay and employees of the Rex Sinquefeld funded Show Me Institute, an extremist libertarian think-tank which recently recommended [a complete privatization of the United States Postal service](#). It is unclear why, even after enormous public outcry, the City continues to defend Veolia.

Why would we continue to put off the critical needs of our city's water department? There are plenty of companies that do not have the horrible track record of Veolia. There is no reason to extend the process. Decision makers have been given stacks of documents with information detailing Veolia's abuses, some that include studies from international organizations that have been following Veolia's record with the environment, privatization and human rights.

We appreciate the call for a public hearing. However, the purpose of a public hearing is for citizens to testify. Over the course of three months, the public has made their voice heard and they are overwhelmingly in opposition. There is no pro-Veolia constituency. There have been debates regarding the level of private involvement in the operations of our water division, but that has not been contingent on a specific company. We think it's time to take Veolia off of the table today and start focusing on a solution for our water department.

What does Palestine have to do with any of it? Isn't this just a local issue?

Many asked similar questions during the South African Apartheid era as civil and human rights activists urged U.S. institutions to end contracts with companies involved in Apartheid. People said, "What does what we do here in the U.S. have to do with what happens there?" Nonetheless, many institutions chose not to work with companies profiting from South African bloodshed and we know today that those institutions were right to do so.

Veolia services Jewish-only settlements on occupied Palestinian land and operates buses on settlers-only roads. The Palestinian population is not allowed to use these roads or many of Veolia services because of their ethnicity and religion. The Palestinian Freedom Riders, inspired by the Civil Rights Freedom Riders, have challenged segregated buses in Palestine. In a recent letter to the St. Louis E&A Board, they wrote: "[Our] protest actions alone won't end the unjust system under which we live. Like the U.S. Civil Rights Movement and the South African anti-Apartheid Movement, we need support. We need people to withdraw their cooperation and complicity with our oppression."

St. Louis struggles to overcome segregation and discrimination. Why would we choose to hire a corporation profiting from segregation and discrimination elsewhere? St. Louis is not responsible for ending injustices in Israel/Palestine. But we are responsible for the choices and with whom we work. Our city has the chance to be on the right side of history and support those who are non-violently struggling for their freedom.