FILE NO. 020649 RESOLUTION NO.

[Resolution to Request Bechtel Corporation to Withdraw its Legal Action against Bolivia.]

Resolution urging Bechtel Corporation and its Bolivian subsidiary, Aguas del Tunari, to immediately withdraw their punitive legal claims in international courts against Bolivia and its people and to abstain from engaging in any further litigation or mediation claims – either within or without U.S. borders – with the South American country.

WHEREAS, In 1999, the water system of Cochabamba, Bolivia's third largest city, was privatized, and the water system was taken over by Aguas del Tunari, a subsidiary of Bechtel Corporation; and,

WHEREAS, After privatization, Bechtel Corporation's water rate hikes in Cochabamba reached as high as 300 per cent and forced one of the poorest peoples in the world to make an untenably cruel choice between bread and water; and,

WHEREAS, The Bolivian people repeatedly but unsuccessfully attempted to contact Aguas del Tunari, Bechtel's local subsidiary, to request a reduction in those price hikes because of the hardship they were causing, Cochabambans were given no alternative but to risk and in at least one instance lose their lives by protesting in the streets while faced with brutal military response; and

WHEREAS, Bechtel is suing in international court for an amount of no less than US$25 million for their losses in Bolivia and demanding this amount from a people whose minimum wages are set at under US$67.00 per month and where almost 70 percent of the population is below the country's poverty line; and,

WHEREAS, the World Bank has classified Bolivia as a Highly Indebted Poor Country with both publicly and privately held debt currently reaching US$4.5 billion; and,

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WHEREAS, Bechtel is one of the largest corporations in the world with annual revenues of US$14 billion, almost double Bolivia's Gross Domestic Product, and with business interests and potential future profits throughout the globe that vastly exceed US$25 million; and,

WHEREAS, In Bolivia annually, US$25 million can hire 3,000 rural doctors, 12,000 public school teachers, or give access to the public water distribution system for 125,000 Bolivian families; and,

WHEREAS, Bechtel Corporation, founded in 1898, has its headquarters in San Francisco; and,

WHEREAS, Bechtel has a US$45 million, four year contract with the City of San Francisco for consulting on the upgrade of City's water infrastructure through an entity known as the San Francisco Water Alliance; and,

WHEREAS, The San Francisco Board of Supervisors unanimously passed a resolution in April of 2001 commending Oscar Olivera for his leadership in successfully fighting water privatization in Bolivia; and be it hereby

RESOLVED, That the San Francisco Board of Supervisors urges Bechtel Corporation to rescind all legal actions or arbitration procedures present and future against Bolivia and its people regarding the just struggle that Cochabambans engaged in to gain access to water for their families and their own health and survival; and be it

FURTHER RESOLVED, That the Clerk of the Board of Supervisors shall forward a copy of this resolution to Bechtel Corporation, its Bolivian subsidiary Aguas del Tunari, and to the coalition of groups active in opposing the Bechtel lawsuit, including Public Citizen, International Forum on Globalization, and Global Exchange.