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International Joint Commission – Loopholes and Corporate Links

In 1991 Michael J. Donahue became a member of the Science Advisory Board at the International Joint Commission, which was set up to help all levels of government in the US and Canada to mediate boundary water issues. Nine years earlier Donahue was appointed President and Chief Executive Officer of the Great Lakes Commission, a binational agency specializing in planning, policy, technical services and project management. In April 2005, he left the Great Lakes Commission for a cozy job at the Detroit offices of global consulting firm URS Corporation.

This could be seen as just another case of the revolving door between public agencies and the private sector, but because of Donahue's continued influence on the IJC through his membership on the Science Advisory Board – which can sway Commission recommendations – and URS' involvement in groundwater investigation for the bottled water industry, the connection is more disturbing. In Australia URS has done work for Coca Cola, one of the big four bottled water corporations, undertaking hydrogeological evaluations of nine groundwater extraction sites from which groundwater is taken for packaging and sale as bottled water. By taking a job with URS Donahue has connected himself and the IJC with one of the biggest water takers in the world – Coca Cola.

In light of the giant loophole in the Great Lakes Annex Compact (a loophole whose justification by the IJC is based on a study by consulting firm Hidell-Eyster whose CEO Henry Hidell III sits on the board of the International Bottled Water Association) that allows for the export or extraction of water in 5.2 gallon containers to go unregulated, Donahue's work for a company that could potentially benefit from this oversight is a clear conflict of interest. While Donahue was not working for the private sector when the controversial Compact was written, both the IJC and the Great Lakes Commission signed off on the agreement which is certain to be exploited by the bottled water industry.

Donahue's company URS already has, and most likely will again profit from contracts with the same companies that will be profiting from taking water out of the Great Lakes basin. His connection to this sector – and the Hidell-Eyster report – further delegitimizes the position of the International Joint Commission, in the debate over this region's water resources.

PepsiCo's Double Standard

California Attorney General Bill Lockyer and Los Angeles City Attorney Rocky Delgadillo announced this month that PepsiCo will eliminate leaded labels on bottled soft drinks imported from Mexico. The move by PepsiCo will resolve allegations that the company violated California's strict labeling law, Proposition 65, by failing to warn consumers the bottles' labels contained lead, a toxic substance that can cause birth defects, learning disabilities and cancer.

Under the settlement, PepsiCo will pay a \$1 million fine and immediately shift to lead-free labels on new bottles for products from Mexico. In addition Pepsi will eliminate lead-painted bottles for Mexican sodas within 10 years, with a target of eliminating 95 percent of the bottles within seven years. If the company fails to meet the 95 percent phase-out target for existing bottles with leaded labels, it could face an additional \$4.25 million in civil penalties.

Additionally, the settlement requires Pepsi to pay \$500,000 to fund: surveillance activities to keep old Mexican Pepsi bottles out of California; voluntary independent environmental audits of small Mexican food companies that export products to the United States; projects to eliminate lead from food products, including candy; and education and outreach programs on exposure to lead. Pepsi was also ordered to pay \$750,000 in reimbursement for investigative costs and attorney's fees.

The investigation found that some of the labels contained up to 45 percent lead, which can rub off onto hands increasing risk of exposure, or can end up in the drink itself during the washing process. Lead labeled bottles are imported from Mexico and sold throughout California.

The settlement highlights how big soft drink companies – the California Attorney General is looking into lead labels on Coke products – use different standards for different regions. Lead is clearly dangerous, it has been listed on California's list of substances known to cause reproductive harm and birth defects since 1987, and since 1992 has been on the list of substances known to cause cancer.

For companies using lead labels the issue is not about the health and well being of its customers, but about the cheapest or easiest way to produce their products. This attitude is clear from PepsiCo's response to the lawsuit. The

company predictably claimed innocence saying that their labels were safe, but decided that settling the case would avoid a costly lawsuit.

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