



## **Privatization Q and A**

### **Doesn't privatization create more competition and lower prices?**

Competition rarely makes services cheaper. Large foreign corporations rule the marketplace. After getting their first contract they keep prices higher. Some have been investigated for anti-competitive practices and price fixing.

### **Don't city councils and school boards have the negotiating savvy?**

Private companies have more bargaining expertise. They have hundreds of lawyers working for them. How easy will it be for the 70 towns with fewer than 5, 000 residents to deal with these billion-dollar firms?

### **Won't taxpayers save a bundle of money?**

Not likely. The Municipal Finance Authority can borrow more cheaply than private companies. Why should taxpayers pay for these higher interest rates as well as profits? Why public is better than private

### **Don't private companies do it better than public employees?**

No. When the Edmonton School District studied contracted-out custodial services they found a huge lack of quality. They contracted-in all the services. Private companies create minimum-wage jobs and that leads to a more transient workforce.

### **Who can we hold accountable if something goes wrong?**

The public loses accountability. Often the public can't even see the contract. In Maple Ridge a major P3 was declared illegal because the public was prevented from participating.

### **Will local politicians be off the hook if they privatize public services?**

The government talks about transferring risk to the private sector. It doesn't happen. Local government is responsible for delivering services. A private partner can just walk away.

### **What does my community stand to lose if they privatize?**

Jobs and money. Profits are siphoned away to places like Portland and Paris. There is less money to spend at local businesses in the community.

## **Can't we get public services back if privatizing doesn't work?**

No! This is a one-way street. If we open up our services and resources, such as water and hydroelectric power to international companies, they are probably gone forever.

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