

International Water Holdings B.V.

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Employees: 55 (according to the Annual Report over the year 2000)

International Water Holdings B.V. (IWH) was established as a holding under Dutch law on 8 December 1999 as a 50/50 venture between Bechtel Enterprises Holdings, Inc (USA) and Edison S.p.A., (Italy). It was registered at the Amsterdam Chamber of Commerce on 22 December 1999.

IWH is pursuing privatised water and wastewater treatment projects world-wide. At the end of 2000, IWH was working on eight projects in Asia, central Europe, Australia and the United Kingdom. By February 2001, IWH had made two more acquisitions: the Tallinn's (Estonia) main water supplier, AS Tallinna Vesi (EUR 42.6m) and the Ecuadorian water supplier Interagua CA Ltda (EUR 10m).

IWH is located and incorporated at the address mentioned above, together with 15 subsidiaries (see organigram). One of these subsidiaries seems to be of particular interest in the Cochabamba case: International Water (Tunari) B.V. (KvK nr. 34125384). This subsidiary is directed by Didier Quint, the guy that sent Jim Shultz an e-mail on Aguas del Tunari on 25 April 2000. According to the Amsterdam Chamber of Commerce, the following individuals are managing directors of International Water Holdings B.V.:

- Michael Cleveland Bailey (?)
- William R. Elliott (?)
- Giulio Silvio del Ninno (CEO, Edison S.p.A.)
- Giulio Paini (CEO of Edison Gas and Chairman of Edison Distribuzione Gas)
- Vincenzo Augusto Gatta (CEO, **Edison** Energia & Director, Electric Energy Division, **Edison** S.p.A. Italy)
- Vincent Paul Unruh (Vice Chairman, Bechtel)

Bechtel and Edison have a 50-50 share in **International Water Ltd** (UK) through International Water Holdings B.V., of which International Water Ltd. is a 100% subsidiary. In fact, IWH BV is no more than a legal entity that was set up primarily to profit from low Dutch corporate taxes. IWH has no office in the Netherlands, only a letterbox and a telephone number. International Water Ltd. is the active entity co-ordinating all water projects in which the Bechtel/Edison partners have a stake. In most projects, UK-based United Utilities is a 'strategic partner', taking care of the 'on-the-ground' work.

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The Dutch holding brings an important secondary benefit in the Aguas del Tunari case: under the Dutch-Bolivian Bilateral Investment Treaty an investor-state dispute that cannot be solved between the conflicting parties, goes by default to the World Bank's ICSID for arbitration. The UK-Bolivian BIT on the contrary defaults to the UN's UNCITRAL when a conflict cannot be resolved. Apparently the ICSID is the most investor-friendly panel -- just read what IWH writes in its Annual Report over 2000:

"The Group is in the process of filing a claim for the recovery of its investment, related costs and lost profits under the "Agreement on Encouragement and Reciprocal Protection of Investments Between the Kingdom of the Netherlands and the Republic of Bolivia" (the Treaty). In accordance with the Treaty, the Group is in the process of submitting a request for arbitration to the International Centre for Settlement of Investment Disputes (ICSID). On the basis of legal opinions received, the Group believes that it will recover an amount in excess of the Group's total carrying value of AdT (of EUR 7.613.000) as a settlement of its claim against the Government of Bolivia. However, the success of this action for recovery depends substantially on obtaining ICSID jurisdiction."

According to its December 2001 press release, IWH is claiming 25 mn US\$ (around 21.5MN euro) recompensation from Bolivia. The figures in the IWH annual report over the year 2000 show that this is almost three times the total 'carrying value' of Aguas del Tunari, and almost four times the total value of the fixed assets of Aguas del Tunari!

The case has been accep[ted] by ICSID on 25 February 2002. An arbitration panel still has to be formed.

International Water UU Holdings B.V. is not listed as a subsidiary of IWH, but most probably affiliated to United Utilities (UU) International. It is registered at the same letterbox address (KvK nr. 3412337). Mr. Didier Quint is listed as manager, together with Gordon Arthur Ivan Waters.

Bechtel Corporation

P.O. Box 193965
San Francisco, CA 94119-3965, USA
Tel.: (415) 768-1234
Fax: (514) 768-9038
Employees (2000): 50.000

The Bechtel Corporation provides services to develop, engineer, construct and manage customers' capital projects and facilities around the world. Bechtel has worked in 140 nations on all seven continents, including more than 300 water and wastewater facilities. At the end of 2000, Bechtel was working on 1.000 projects in 66 countries and concluded the year 2000 with \$14.5 billion.

Chairman & CEO: Riley Bechtel
Vice Chairman: Paul Unruh
Vice Chairman: Adrian Zaccaria

Source: Bechtel website <www.bechtel.com>

Bechtel Enterprises Holdings, Inc. is the project development, finance, ownership, and asset management entity of the Bechtel Corporation. It has developed 70 privatised infrastructure projects with a total constructed value of \$27 billion. Since 1990, it has participated in arranging more than \$19 billion project financings.

President, Bechtel Enterprises Holdings, Inc.: Tim Statton

Water and Wastewater

Bechtel Enterprises in partnership with Edison S.p.A. pursues privatized water and wastewater projects and concessions through International Water Holdings B.V.

Bechtel Enterprises and United Utilities, a major multi-utility company based in the United Kingdom, are partners in U.S. Water and pursue similar projects in the U.S. market.

Source: <<http://www.bechtel.com/bechent.html>>

Interestingly **Bechtel Enterprises Energy B.V.** is settled at the same Leidsekade-adress as IWL and it's subsidiaries. The Amsterdam Chamber of Commerce lists Timothy David Statton as chairman and Vincent Paul Unruh as manager.

The Polaris Institute (Canada) has compiled an extensive & up-to-date corporate profile on Bechtel, available at<http://www.polarisinstitute.org/corporateprofiles_files/profiles2.html>

Edison S.P.A

Foro Buonaparte 31
20121 Milan, Italy
Tel: +39-02-62-22-1
Fax: +39-02-62-22-3281
Employees (2000): 1909
Annual Revenues (2000): \$252.9 million

Edison S.p.A an affiliate of group Montedison, is Italy's largest private energy services company. In the power sector, it owns 34 power facilities with a total installed capacity of approximately 3600MW (both hydroelectric and thermoelectric). In the hydrocarbons sector, Edison owns 53 concessions, 43 exploration permits, 2 gaz storage fields, and thousands of kilometers of high and low pressure natural gas pipeline.

Chairman: Umberto Tracanella
CEO & director: Giulio Del Ninno
CFO: Pier Luigi De Angelis