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Terry L. Anderson and Peter J. Hill, eds., Water Marketing - The Next Generation

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Ellen Molloy, an author, paints a vivid image of the Colorado. Depicting human's insatiable hunger and the fragile ecosystem of the river, Ms. Molloy points out that "each year the Colorado Plateau menu diminishes, the diners grow more numerous and their appetite, ravenous." A solo-rafting journey down the river conjures many intimate thoughts for the writer. After almost losing the raft and her gear, Ms. Molloy reiterates what most forget, that the river is always in charge. The river humbles and forces us to look within ourselves.

The photographs in *Water, Earth, and Sky* are truly spectacular. They bring the essays to life and offer glimpses of the Colorado River that most would never be able to see. For this reason alone, the book is essential for any lover of not only the Colorado, but of all rivers. The Colorado River is not what is once was. To understand the changes and ways to lessen the damage, *Water, Earth, and Sky* offers a valued first step.

Karina Serkin

**TERRY L. ANDERSON AND PETER J. HILL, EDS., WATER MARKETING—
THE NEXT GENERATION**, Rowman & Littlefield Publishers, Inc,
Blue Ridge Summit, Pennsylvania (1997); 201pp; \$22.95; ISBN 0-
8476-8398-2, softcover.

A water market's ability to prevent water crises involves the interrelation between property rights and politics. This compilation of articles entitled *Water Marketing—The Next Generation* discusses law and policy alternatives that legislators can use to achieve efficient water use in future American water markets.

According to Barton H. Thompson, American water markets face obstacles emanating from two non-market paradigms that influence legal rules: ownership structures and societal expectations. The first paradigm represents the view of water as a public resource for all to share. The other represents water as a local resource for local regulation. In the article *Water Markets and the Problems of Shifting Paradigms*, Thompson discusses the two paradigms' negative effects on shifting from private to public water rights. Thompson focuses on institutional barriers, psychological barriers, and market advantages shaping America's future water policy.

The article, *Institutional Constraints on Transboundary Water Marketing*, examines problems presented by state, federal, and international laws. To be effective, American water policy must bridge both federal and international political boundaries to participate effectively in transboundary water markets. The author, James L. Huffman, also proposes solutions designed to overcome interstate water marketing obstacles.

To exemplify the institutional obstacles, *Interstate Marketing of Central Arizona Project Water: Law, Economics, and Politics* criticizes legal

and political constraints contributing to the Central Arizona Project's inefficiency. The author, Jeffrey R. Fuller, focuses on Arizona's water revenue potential in interstate water markets, but shows how the state's legislature continues to restrict access to markets to maintain the legal status quo.

On the other hand, other states, with varying success, have sought to change their legal status quo to create more efficient water allocation. Texas, for example, has sought to change its legal status quo, yet has not found a strategy that satisfies all competing political factions. The article entitled *Protecting the Edwards Aquifer* advocates for institutional reform.

One possible institutional reform involves creating water districts that span state boundaries and include entire river basins. In *Must Water Regulation Be Centralized?* David D. Haddock explains that this approach allows regulators to tailor hydrological regulation to remedy externalities and to maximize benefits occurring within the basin. Australia utilizes the basin approach.

The article *Transborder Water Trading among the Australian States* discusses the successes of transcending political boundaries for administering water rights. The author, Gary L. Sturgess, demonstrates that the advantages to basin-wide rules outweigh the disadvantages to political autonomy loss.

The basin approach does not always require a loss of political autonomy. The article *Environmental Quality, Biological Envelopes, and River Basin Markets* compares mandatory and voluntary river basin approaches by contrasting North Carolina's voluntary Tar-Pamlico Association to Germany's and France's mandatory water associations. The authors, David W. Riggs and Bruce Yandle, suggest that the voluntary basin approach to environmental protection offers more flexibility and efficiency for its members.

Another institutional reform involves tailoring the pollution control regime to reflect the pollution's geographic scope. This allows local governments to govern local pollution issues that the federal government currently regulates. According to Henry N. Butler and Jonathan R. Macey, authors of *Water Rights Regulation, Political Incentives, and Federalism*, the centralized pollution control system fails to adequately protect the environment because of its inflexibility and its inertia. The authors argue that legislators cannot fix the current centralized pollution control regime; thus, they must dismantle it.

However, because dismantling water regulatory regimes remains cumbersome, other commentators suggest ways to reform existing regimes. *Increasing Efficiency in Water Markets: Examples from the Western United States* focuses on environmentalists' increased opposition to agriculture-to-urban water transfers due to the external environmental impacts.

Madoline Wallace