**The Future of Water Act of 2024**

*Senator Elizabeth Warren & Representative Ro Khanna*

Water is a basic human right that must be managed and protected as a public trust resource. It should be affordable, easily accessible, and guarded from markets prone to manipulation and speculation.

Under current law, however, water prices are vulnerable to manipulation and speculation from futures markets. In many parts of the country, water is already becoming a scarcer resource. Investors have begun buying thousands of acres of farmland primarily for the properties’ water rights, effectively commoditizing what should be a natural resource. In 2020, the Chicago Mercantile Exchange (CME) announced it had certified the world’s first water futures contracts, the Nasdaq Veles California Water Index Futures, which allow investors to purchase and sell futures contracts based on “water rights” prices in California. Under this regime, large contract holders have a strong incentive to manipulate the water futures market for profit. If there is too much concentration in water markets among these massive passive investors, it could create a market condition where non-user/non-commercial interests are setting water prices, which could lead to physical water hoarding and price increases.

In response to the creation of these new water futures contracts, the United Nations Special Rapporteur on the Human Rights to Safe Drinking Water and Sanitation said: “Water is already under extreme threat from a growing population, increasing demands and grave pollution from agriculture and mining industry in the context of worsening impact of climate change… I am very concerned that water is now being treated as gold, oil and other commodities that are traded on Wall Street futures market.” If the water futures market were to lead to real-world price increases, some of the most immediate impacts would be on our nation’s agricultural industry, potentially driving out small producers and incentivizing further farmland consolidation.

First introduced in the 117th Congress, the *Future of Water Act* would amend the *Commodity Exchange Act* to prohibit futures trading of water and water rights. Specifically, the bill would:

* **Prohibit the trading of water and water rights in commodity futures contracts.** The proposed bill would add “water and water rights” to the current list of prohibitions in the *Commodity Exchange Act*.
* **Protect American families, farmers, and ranchers from water price spikes.** Wall Street’s interest in financial derivatives based on water and water rights could lead to severe real-world water price spikes due to market manipulation and/or excessive speculation. Prohibition of water and water rights futures trading stops this dangerous speculation and protects American families, farmers, and ranchers.

Over 275 organizations have endorsed this legislation including:Americans for Financial Reform, Center for Biological Diversity, Demand Progress, Demos, Food & Water Watch, Friends of the Earth United States, Greenpeace USA, Indigenous Environmental Network, National Family Farm Coalition, Network Lobby for Catholic Social Justice, Open Markets Institute, Progressive Democrats of America, Public Citizen, and Sunrise Movement.