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**TESTIMONY RE: HB 5138 AND SB 357
JOINT COMMITTEE ON THE ENVIRONMENT
PUBLIC HEARING
MARCH 10, 2008**

Good morning Senators Meyer and McKinney, Representatives Roy and Chapin, members of the Environment Committee, I am Brian Flaherty, Director of Public Affairs at Nestlé Waters North America, and I am here to testify on raised House Bill 5138 and Senate Bill 357, which both seek to expand recycling in our state.

Nestlé Waters is a Connecticut company that employs roughly 500 people at our North American headquarters in Greenwich and branch delivery facilities in North Haven and Bozrah.

Bottled water has the lightest environmental footprint of any packaged beverage—using less water and less plastic to produce than any other. The greatest impact that a beverage manufacturer can have is in the design and production of our products—from conserving natural resources to minimizing waste—and my company has done just about everything we can do as a manufacturer to reduce our environmental footprint.

In the last 15 years, we have reduced plastic content in our packaging by 40%, and our Eco-Shape bottle is the lightest half-liter PET plastic beverage bottle ever produced in the U.S.—at 30% less plastic than the average half-liter plastic beverage. Right now, we are extending this Eco-Shape lightweighting to more container sizes to continue this significant energy and carbon reduction.

Our Home and Office Division is the largest returnable bottled beverage company in America. Our 3- and 5-gallon containers are each reused about 35 times, and then they're all recycled.

We are also exploring new packaging technologies here in the U.S. and in Europe. For example, we are participating in a newly formed bio-plastics pilot project, called SEED, in cooperation with the City of San Francisco and a group named Future 500. It aims to grow the market for sustainable technologies that are an alternative to petroleum-based packaging.

Recycling is the right thing to do, and Connecticut needs a robust infrastructure and motivated citizens to make it work across the board. That is why Nestlé Waters supports the expansion and evolution of recycling in this state—and nationwide—such as in House Bill 5138.

For years, the debate over recycling in the General Assembly has had far too narrow a focus, pitting advocates of container recycling against the beverage and retail industries—stalling the growth of comprehensive policy and leaving recyclers and municipalities in the middle of a polarized debate with seemingly no room for compromise.

Nestlé Waters is not against bottle bills. We are against bottle bills like SB 357 that focus on an even smaller portion of consumer packaging than last year's bill—at incredible effort and cost—only to send them through an antiquated “beer and soda” collection system that operates outside of the nation's more cost effective recycling networks.

For the past four years, we have pointed out significant operational problems that the expansion of Connecticut's 26 year-old bottle bill present for our company. This doesn't mean we think that per-container incentives don't drive recycling of bottles and cans—because they do. That's not the issue.

Putting an incentive on a container *will* make it more likely to get recycled, but it's the rest of the bottle bill's system that causes the problems. Traditional “beer and soda” bottle bills have a difficult time handling bottled water, because beverages like ours disrupt the system's flow. And valiant attempts to tinker with them—such as “state-only” labels and barcodes on products that know no state line—only present more havoc in the retail chain.

Beer and soda are sold through exclusive distribution territories, leading to greater control for both distribution AND recapture of those products, since returns from those territories are the responsibility of the distributor.

Bottled water, along with many juices, fruit drinks, teas, and other noncarbonated beverages, have no direct path to the consumer. They enter the state through multiple and competing channels, and our experience in the state of Maine is that deposits are NOT properly initiated on each container of water. While deposits are collected on containers *sold* in Maine, there is no way to ensure that the entity ultimately paying out the deposit—in this case, my company—collected that deposit in the first place. To illustrate that, consider the fact that in 2006, our company experienced 112% redemption of our Poland Spring brand.

Stated simply: An effective *litter control law* for the world that existed in 1981 cannot be an effective *recycling law* for the world today. Rather than just expand, the law needs to evolve.

Last summer, my CEO, Kim Jeffery, appeared on a radio program at Hartford's WNPR on recycling. He was joined for a portion of that program by Betty McLaughlin, now the leader of the Container Recycling Institute, who will testify today. Expectedly, they had differing viewpoints on “beer and soda” bottle bills like SB 357, but when the discussion turned to GOALS, the tone and substance of the program changed dramatically. Both agreed on the goals they would like to see in 21st Century recycling legislation:

- High rates of recycling
- High quality material to enter the recycling stream
- A sustainable funding system
- A program that is conducive to the recycling of a wide variety of consumer packaging, by offering flexibility and choice of recycling options—like California has.

Nestlé Waters and CRI may both see that potential in HB 5183 today, and it's likely that CRI sees that in SB 357. We, respectfully, do not. We see, through our experiences in Maine, California, and Oregon that expansion of narrowly focused law can only deliver narrow results. It's simply NOT expandable to the vast majority of other consumer products that are made of the very same material that our bottles are.

Members of the Environment Committee, you have an opportunity in legislation before you to evolve the way Connecticut recycles. And in a world where 95% of consumer packaging is made of readily recyclable material, yet only 25% is recycled, you can capture the greatest share of that material by passing HB 5138. It is aimed at capturing all recyclable packages in the household directly into the recycling stream—instead of sending millions of containers on unnecessary side trips back to clutter grocery stores, and still more truck trips to be recycled.

Nestlé Waters, therefore, urges you to evolve Connecticut's recycling through HB 5138. Let the rising tide lift all boats. Choose a solution that will recycle the kinds of products like mine—regardless of how they are sold. Then, if having given cities and town in Connecticut the opportunity to build a more robust recycling system, you still feel that a per-container incentive is needed, let's look at models that are curbside friendly, that offer flexibility, cost-effectiveness, and that can meet the goals that we and CRI agree upon.

At its best, the legislative process is an evolution. We have the same goals: to increase recycling and reduce waste in Connecticut. We may currently have different ideas about the best way to achieve those goals, but that doesn't mean we can't work together on crafting the same solution. We pledge to work with the legislature, our retail customers, fellow consumer product companies, and the other stakeholders in this process toward a solution that borrows what works, and drops what doesn't. One that is fair, enforceable, and that balances the roles that all of us must play—*producer, retailer, consumer, recycler, and regulator*.

Thank you.