



TESTIMONY
Thursday, November 6, 2008

Tom Brennan
Senior Natural Resource Manager
Nestlé Waters North America

Good afternoon, Chairman Smizik, members of the Committee, my name is Tom Brennan. I am a Senior Natural Resource Manager for Nestlé Waters North America, and I am pleased to have the opportunity to speak with the Committee this afternoon about the environmental effects of bottled water on groundwater and our operations in communities.

Nestlé Waters bottles and sells 15 brands of bottled water, including Poland Spring. We employ 9,000 people in North America—including 743 here in Massachusetts—and we have plant operations in 23 communities across the U.S and two in Canada.

At the outset, let me note that bottled water is a highly visible, but surprisingly small user of groundwater. As you are well aware, water is a necessary ingredient in the production of food and all beverages. It is also an indispensable ingredient in the production of all other manufactured goods. While numbers such as 250,000 gallons per day may appear staggering, it is important to place those numbers in context. The cranberry industry for instance responsibly utilizes over 40 *billion* gallons of water each year. The entire bottled water industry uses much less than that total. In fact, the **bottled water industry** uses less than *four one-thousandths of one percent* of all utilized fresh water. To clarify, this is the percentage of overall water usage and not of all existing fresh water resources.

What sets us apart from other water-users is our rigorous program to manage water resources for sustainability. Drop for drop, bottled spring water (like the brands Nestlé bottles and sells) is one

of the most efficient uses of water in the beverage market. This is important to remember when you consider that 70% of what Americans drink today comes in a container. Not including bottled water, there are close to 75,000 different types and sizes of containerized beverages for sale in America, and bottled water has the lightest health and lightest environmental footprint of them all. Consider these points:

- It takes 2-3 gallons of water to make one gallon of a soft drink beverage and 5 gallons of water to make one gallon of beer. Yet, it takes only 1.3 gallons of spring water to make a gallon of bottled spring water.
- As for packaging, my company's Eco-shape bottle is the lightest branded ½ liter bottle in the U.S. market.
- Today, Americans are taking in nearly twice the amount of calories *from beverages* as they did a generation ago. Childhood obesity is up 370% in the last 30 years, and part of the solution to this epidemic is to drink more water – *tap and bottled*—and we support strong public water supply systems.
- Bottled water is the safety net to the most critical need of all, potable drinking water, especially in times of natural disaster – including hurricanes in the Gulf Coast, ice storms in Maine, wildfires in California, or floods in the Midwest.
- Bottled and tap water both have their place. People want and need both, and for three-quarters of consumers, it's not an either/or choice. They drink both bottled water and tap water. Yet some people continue to want to pit one against the other.

Managing for sustainability

When it comes to collecting and bottling spring water, NRNA has an inherent interest in being a steward of a healthy environment at our spring sites. Our spring sources and the facilities that use them represent our most valuable investment and using them in a responsible manner today is the only way to ensure our continued success. We select only those sites with a safe and sustainable yield measuring any impacts of our withdrawal and understanding the cumulative impacts of other parties' use. The continued health of the aquifer is paramount to us.

We do our environmental homework before we become part of a community and maintain continuous monitoring to ensure the water resources are sustainable long term.

Each spring water source should be there 100 years from now and that we must follow good land-use and aquifer practices. Poland Spring, for example, has been providing bottled water since 1845. We can only stay in business for the long term if groundwater sources are managed to ensure that what we harvest can be replaced by nature. And that's a key criterion as we search for potential new sources.

Due to the significant financial investment required to develop a spring water source, testing for a spring water withdrawal goes well beyond that required by DEP to ensure that a spring water source is sustainable and that impacts from the withdrawals are limited.

What are the Groundwater regulations in Massachusetts?

On the State level, Groundwater withdrawals in Massachusetts are highly regulated and have been for at least the past two decades. Recent updates to the Massachusetts Guidelines and Policies for Public Water Systems require extensive analyses to determine potential impacts to:

- Groundwater levels
- Stream and spring flows
- Sensitive species and habitats
- Nearby private water supplies.

Operating under these already strict set of guidelines and regulations, Nestle Waters goes even further to provide protections and to actually improve wetland habitats. In conjunction with the Rushing Rivers Institute of Amherst Massachusetts, Nestle Waters is currently investigating the Wekepeke Brook Watershed in central Massachusetts to develop an improved methodology to determine the ecological impacts of water withdrawals on fish and invertebrate habitat in adjacent streams, and to develop assessment and mitigation methodologies for reviewing proposed water withdrawals. The goal is to create a ground breaking approach for the improvement of the ecological status of the rivers and streams by repairing damage caused by the current and historical use of rivers. The result will be a template for large water users to

create stronger and more diverse ecological habitats during the development of new water withdrawals.

On the Federal Level, the U.S. Food and Drug Administration (FDA) regulations require that springs continue to flow while spring water is being withdrawn. As a result, spring water withdrawals for bottling purposes are generally much smaller than larger municipal groundwater withdrawals. For example, a small production well serving a municipality yields at least 250-300 gallons per minute. A typical spring water source yields approximately 50-75 gallons per minute. And once a withdrawal is approved the owner is required to conduct routine monitoring and submit annual report to DEP to document compliance with the permits.

We seek dialogue, support regulation

In siting new operations, we expect that communities would have questions and concerns about both our water use and other impacts on the community's quality of life, both opportunities and challenges. Over the years, we have successfully partnered with a number of host communities. In fact, the picture of my company that some have recently tried to paint, in no way resembles the company I know.

Massachusetts towns such as Montague once derived great economic vitality from mills powered by water. In situations where a community has water available after taking care of its own residents and businesses, and where research confirms that water can be replenished by nature and the local environment would remain healthy, a community should have the right to utilize that water and use the revenue to benefit its residents.

We agree that access to clean water is a public right. We recognize our responsibility to the communities where we do business, and to the environment. Our goal is to engage with communities fairly, abiding by their rules and regulations. We seek a result that benefits and protects the public interest as well as our own.

We recognize some people simply reject our product and business. We respect these differences and try to address concerns through a variety of actions to bridge our difference whenever possible.

Mr. Chairman, members of the Committee, thank you again for this opportunity to work with you as you examine the issues pertaining to groundwater use and the other matters impacting the bottled water and beverage sector.

The essence of effective groundwater resource protection lies in focusing on the watershed – and the impact that any water use has on that watershed. My company, and other water bottlers, have supported and will continue to support comprehensive science based laws and policies regulating water withdrawals, such as in Maine, New Hampshire, Vermont and Michigan. The goals must be long term sustainability, fairness for all water users, and openness to public input in order to provide a responsible framework for decision making.

I have provided for your information some material on my company, specifically our newly issued corporate citizenship report. I have also included a fact sheet and question and answer document pertaining to our spring exploration activities here in the Commonwealth of Massachusetts. I look forward to responding to any questions that you have.

Thank you.