

**Testimony of Wenonah Hauter, Executive Director of Food & Water Watch, before  
the Domestic Policy Subcommittee of the Oversight and Government Reform  
Committee of the U.S. House of Representatives**

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Good morning Chairman Kucinich, Ranking Member Issa and members of the subcommittee. My name is Wenonah Hauter, and I am executive director of Food & Water Watch. We are a non-profit consumer advocacy organization based here in Washington, D.C.

I welcome this opportunity to testify today on an issue that is very important to my organization—the negative environmental consequences of water bottling plants extracting groundwater and spring water from rural communities. I would like to discuss the broader policy context of the water bottling industry’s operation in rural communities.

The bottled water industry, including Nestlé, Pepsi, and other companies, has seen explosive growth over the past 20 years. These companies are enjoying hundreds of millions of dollars in profits annually from selling the myth that bottled water is somehow safer or better than tap water. The truth is that bottled water is generally no cleaner, or safer, or healthier than tap water. The federal government requires far more rigorous and frequent safety and testing and monitoring of municipal drinking water.

The regulatory reality with bottled water is that the Food & Drug Administration has less than one full-time employee devoted to bottled water oversight. The federal rules apply only to bottled water packaged and sold across state lines, which leaves out the 60 to 70

percent of water bottled and sold within a single state. For the 30 to 40 percent of bottled water that FDA does regulate, it requires that companies test four empty bottles once every three months for bacterial contamination. They must test a sample of water after filtration and before bottling for bacteria once a week. When it comes to chemical, physical, and radiological contaminants, a sample of water must be checked only once a year. Companies do not have to test the water after bottling or storage.

Only one out of five states have bottled water laws and regulations. Some of the state regulations mirror FDA standards, some are more stringent, and some fall far short of ensuring consumer safety.

In contrast, the Environmental Protection Agency requires that water systems serving more than one million residents test 300 water samples per month, while utilities serving three million people or more must collect and test 480 samples monthly, far more than the once-a-week test for bottled water.

Almost half of all bottled water is nothing more than purified tap water. But whether it originates from a municipal tap or from an aquifer in a rural community, such as McCloud, California, or Mecosta County, Michigan, water is a life-giving resource from a unique ecosystem and economy. People, places, and animals depend on this water – a public resource – that beverage corporations are extracting, bottling, and selling in return for big private profit.

This business has been relatively easy money for the bottlers, given how little they often are charged to access the water. Indeed, a former chairman of Perrier was quoted as saying, “It struck me...that all you had to do is take the water out of the ground and then

sell it for more than the price of wine, milk, or, for that matter, oil.” It’s true: bottled water costs more than gasoline (refined oil) on a per gallon basis. These companies charge about \$1.50 for a 20-ounce bottle of water, which pencils out to more than \$9 a gallon. That profit must be measured against the mere cents that it costs them to bottle the water.

But those few cents are only the companies’ internal costs, the ones they have to pay. Unfortunately, mining the water does not include the external economic, social, and environmental costs that the rural communities and society in general must deal with, such as loss of groundwater, toxic emissions from plastic production and destruction, air pollution, and damage to roads and other local infrastructure from transporting the products.

For instance, plastic bottle production in the United States annually requires more than 1.5 million barrels of oil, enough to fuel 100,000 cars a year. Worldwide bottling of water uses about 2.7 million tons of plastic each year. And after the production of billions of plastic bottles and the national and international travel of bottled water, billions of empty bottles remain. About 86 percent of the empty plastic water bottles in the United States land in the garbage instead of being recycled.

That amounts to about two million tons of PET plastic bottles piling up in U.S. landfills every year. Single serve water bottles and other beverage containers, often used on the go, are recycled at a lower rate than containers typically used at home. The national recycling rate for all PET type #1 plastic fell from almost 40 percent to just over 23 percent in 2005. And ultimately, many plastic bottles of all types and sizes will be

incinerated, which releases toxic byproducts, such as chlorine gas and ash laden with heavy metals.

Besides the cost to the environment of the plastic bottles, water mining could have long-lasting effects on the rural communities where it is mined. When the flows and levels of a region's springs, wetlands, lakes, streams, and rivers are materially altered because of extraction for bottling, the entire local and even regional environment suffers, and this extends to the activities that depend on the water –agriculture, individuals, businesses, tourism, and recreation.

Many communities across the country develop water management plans that take into account such issues as population and climate, including drought. The people and businesses living and operating there have to live within the rules set forth in those plans, but bottling companies too often get a nearly free pass, even though they are permanently removing water from a rural community's aquifer.

Indeed, in McCloud, California, where Nestlé wants to build a bottling plant to extract about 500 million gallons of water annually, concerned citizens have said that the proposed contract between the McCloud water provider and the transnational beverage giant would give the company preference over the town's ratepayers because the company could draw the maximum amount of water it wants, regardless of drought or water shortage. What is more, the local water district bears all the responsibility for the wellbeing of the springs and the water infrastructure. McCloud residents have been fighting the plan, contending that the company paying only \$300,000 a year for access to the water would leave the town with only a PENNY for every 17 gallons.

The ongoing extraction of water from cities and rural areas to be bottled and sold sets up a frightening scenario. We are seeing a steady shift of a public resource, water, into private hands. No one owns water. The people and businesses in a watershed have the right to reasonably use it for drinking, growing food, and other activities. Over the long term, it could become difficult for states and local governments to regulate water being removed from local communities, precisely because the water will be seen, in legal terms, as severed from the community and classified as a product. Companies could challenge any attempted regulation under the auspices of the World Trade Organization or other free trade agreements, which are nothing more than rules allowing corporate managed trade.

So, why are rural water providers – and urban municipal water systems, for that matter – agreeing to let these companies bottle up and ship away the water? In many cases because local governments are strapped for cash and public water systems are drastically underfunded. According to EPA, we are facing an annual shortfall of \$22 billion in terms of the minimum spending we need to ensure clean, drinkable water.

Without adequate money, communities are lured into 50- or 100-year contracts that seem lucrative in terms of what the bottler will pay. But studies have shown that the companies are not really covering the various costs to the community or what happens when the water is gone. The jobs created by these bottling plants are seasonal, low-paying, and often go to people outside of the community. And, again, none of these corporations assign adequate value or pay the full cost of the economic, social, and environmental damage they cause, while pouring millions of dollars of misleading advertising into a poorly regulated, inadequately labeled, wasteful and overpriced product, all of which we

stressed in our report on the lengthy list of problems with bottled water -- *Take Back the Tap: Why Choosing Tap Water Over Bottled Water is Better for Your Health, Your Pocketbook, and the Environment*.

Given that communities are struggling financially to address water issues, it is important for the Congress to pass and the president to sign into law a clean water trust fund that would provide a solid, consistent stream of money to the states for improving our clean water infrastructure, including rural water systems. Renewed investment in public water infrastructure through dedicated funding, like a clean water trust fund, would ensure that communities have the financial resources necessary to keep their pipes upgraded, their water safe, and their natural resources in their community. As we at Food & Water Watch stated in another of our reports on water, *Clear Waters: Why America Needs a Clean Water Trust Fund*, it also would create more long-term, sustainable jobs; for example, one billion dollars invested creates about 47,500 jobs.

The federal government should of course strengthen bottled water quality regulations. But just as importantly, we believe that there must be some regulation or standard, preferably at state and local levels, addressing how much water bottling companies can extract from states. At the federal level, we should de-commodify water, which would help to prevent private companies from treating it as a product that they can force communities to sell. To continue to allow the sale and export of water in the face of a water crisis, including falling water levels in the Great Lakes or drought draining Atlanta's municipal water supply, makes no sense. Instead, states and communities across America must have the freedom and the resources to protect their local water supplies now and for future generations.

I thank the subcommittee for its attention, and I would be happy to respond to any questions that you might have.