

H₂ for ME

working to increase protection of our fresh water and
OUR investment in Maine's economic future

Education and Information

H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

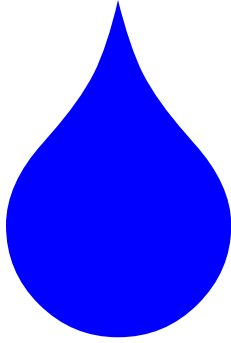
Table of Contents

Our Vision.....	3
Water and a Prosperous Maine Future	4
Legislative Concept.....	6
Fortune Magazine dubbed water the “oil of the 21 st century”	9
Comparison – Oil Industry versus Water Industry	9
Capital Costs for Oil and Water Industries	11
Water – Liquid Gold??	12
How Much Water Profit??.....	13
Water, Jobs, and Local Taxpayer Impacts.....	14
Just What IS the Resulting Investment in Jobs?	16
Have you thought about Maine’s Water – How today it’s Maine’s Oil?.....	18
Contact List	19
Press Coverage	21
Press Release	22
Radio and Television Articles.....	24
Print Articles.....	25
Bangor Daily News.....	26
Kennebec Journal.....	28
Bridgton News.....	30
Bridgton News.....	31
The Mountain Ear.....	34
The Portland Phoenix	37
The Conway Daily Sun.....	39
Mainebiz, July 5, 2004	41
Appendix.....	44
GLOSSARY.....	45
Committee of 2005 Signatures.....	46
Fresh Water and the Global Economy	47
Resources:	49
Suggested Reading.....	49
Web Links.....	50



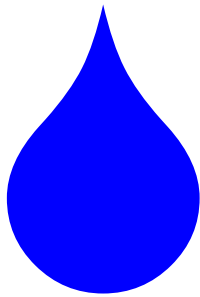
H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future



“When the well goes dry, we
know the value of water.”

Ben Franklin



Our Vision

H₂💧 for ME,
working to increase protection of
our fresh water and
OUR investment in Maine's
economic future



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Water and a Prosperous Maine Future

As Ben Franklin correctly points out, no one knows the true value of water until the well runs dry. Unless you have had to haul water to drink, cook and bathe, you can't begin to appreciate turning on the tap and always having water appear.

A citizen's initiative, headed by former Maine legislator Jim Wilfong, is on its way to the Legislature and is aimed at recognizing the value of our fresh water and Maine's investment in its quality and availability. We have formed the group H₂💧 for ME to spearhead the legislative initiative to establish Maine's Water Dividend Trust because dividend income will be raised from charges on bottled water mined from Maine's many aquifers. These funds will be invested for the benefit of all Maine's people, especially Maine's younger citizens.

For nearly 35 years, Maine people have invested billions of dollars, privately and publicly, in the stewardship of our groundwater resource -- making sure it is as plentiful and pristine as the glaciers left it ten thousand years ago. In this century, water is to Maine in importance as oil has been to Saudi Arabia in the last one. For years, companies have been making significant profit margins bottling free water for consumption around the world. It is now time for Maine people to receive a dividend from their equity in Maine's groundwater.

According to plans, the Trust would be funded by a 20 cent per gallon clean water reimbursement charge. The majority of the Trust will be invested within the State of Maine. We will be primarily investing in a balanced portfolio which will include loans to Maine's small businesses and for family farm development. Trust income would be used to pay each Maine resident income taxpayer a dividend for their investment in Maine's water. The projected revenues for the first year are expected to reach \$100 million dollars (based on an estimated one-half billion gallons of bottled water presently mined by commercial bottlers from Maine's groundwater inventory).



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

The reasons for this citizen's initiative are many and include:

- ◆ Strengthening Maine's laws regarding the sustainability of our groundwater supplies
- ◆ Compensating Maine taxpayers for their vision and financial commitment to preserve and protect Maine's fresh water resource
- ◆ Forming and funding a State Water Resources Conservation Commission
- ◆ Creating an ongoing trust for our children and grandchildren that helps them to remain in Maine and prepares them to compete and thrive in a global, knowledge-based economy.

Mutually prosperous Maine communities, communities with a bright future and opportunity, will be built by a skilled workforce, innovative entrepreneurs, fishermen and family farmers. The Trust will invest in them and their ideas. Continued public and sustainable management of our most essential common resource, water, will work to the mutual benefit of Maine people and our corporate water partners.

A water dividend will provide an expected return on investment at a time when it can be best put to work for all generations of Maine people.



Legislative Concept

Draft date: 07/16/04

Be in enacted by the People of the State of Maine as follows:

Sec. 1. 36 MRSA c.720 is enacted to read:

CHAPTER 720

WATER

§4841. Water mined for resale:

1. **Finding of fact:** The people of Maine find that the pure water resources found in this state are a direct result of the investment made by the people of Maine in protecting and cleaning up the environment as well as the income Maine people have forgone by preventing industrialization which would have been deleterious to the clean water found in Maine. Further, the people of Maine find that it is appropriate and necessary for the protection of this resource that a levy be placed on water removed in large quantities, and, that these revenues be used to regulate future use and to nurture and retain the sort of business development which is consistent with protecting this valuable resource.
2. **Fee assessed.** A fee for 20¢ per gallon must be assessed for water mined from this State for containerized resale. The fee must be adjusted annually on July 1st to reflect the change in price of bottled water in the United States for the previous 12 months.
3. **Exemptions.** Water taken from private wells and not for resale, water sold by regulated utilities for domestic consumption and not for sale in containers of any kind or size, and the first 500,000 gallons of water mined each calendar year for sale by commercial water extraction enterprises and which enterprises are not related to any other water extraction enterprises are exempt from the fee assessed in subsection 2.
4. **Maine Water Dividend Trust established.** The Maine Water Dividend Trust, referred to in this section as "the trust," is established. Funds collected pursuant to subsection 2 must be deposited in the trust.
5. **Use of trust funds.** The trust funds must be invested on behalf of and for the long-term benefit of the citizens of this State and according to the provisions of this subsection.
 - A. Up to 5% of the funds collected annually from the per-gallon fee pursuant to subsection 2 may be used to administer the trust and to create and pay for the Water Resources Conservation Board pursuant to subsection 8, a board authorized to protect the sources of Maine water.
 - B. Not less than 95% of the funds collected annually from the per-gallon fee pursuant to subsection 2 must be deposited into the trust for the citizens of this State.



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

C. Subject to sound investment practices, 65% of the trust funds must be invested in this State. Fifty percent must be lent to small businesses, as defined by the United States Small Business Administration, and small farms. Up to 15% may be used to fund reversed home mortgages to pay property taxes.

D. Subject to sound investment practices, twenty-five percent of the trust funds may be invested in state, national or global financial and equity products.

E. Five percent of the trust funds must be allocated to the municipalities in the aquifer zones to offset, to the extent possible, the cost of improvements and maintenance of infrastructure affected by water extraction activities.

F. Up to five percent of the trust funds may be allocated for: water conservation education, infrastructure maintenance for the Land for Maine's Future Board and the Department of Conservation, Bureau of Parks and Lands.

The allocation of trust funds shall not be changed without a majority vote of voters of this State at referendum.

6. **Trust Dividends.** A trust dividend, when declared by the trust's board, must be paid to each resident of this State who has filed a Maine income tax return for the prior calendar year. The total amount paid in dividends may not exceed 85% of the prior calendar year's trust earnings.

7. **Trust administration.** The trust must be administered by a 9-member board that includes the Treasurer of State, the State Auditor, 3 members appointed by the Governor, one member appointed by the President of the Senate, one member appointed by the Leader of the minority party of the Senate and one member appointed by the Speaker of the House, one member appointed by the Leader of the minority party of the House. Appointments made by the Governor shall be confirmed by the Legislature.

8. **Water Resources Conservation Board.** The Water Resources Conservation Board is established and has 9 members. The Attorney General and the Commissioner of Environmental Protection are members. The Governor shall appoint 3 members. The President of the Senate shall appoint one member, the Leader of the minority party of the Senate shall appoint one member and the Speaker of the House shall appoint one member, the Leader of the minority party of the House shall appoint one member. Appointments made by the Governor shall be confirmed by the Legislature.

9. **Powers of Water Resources Conservation Board.** The Water Resources Conservation Board shall monitor and regulate the amount of water removed from each aquifer to:

A. Ensure sustainability and that the extraction of water from the aquifer is in no way detrimental to the viability of the aquifer; and

B. Determine that the extraction of water does not negatively affect lakes or other bodies of water, wetlands, farming interests, economic development, private wells, or public water supplies.



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

10. License. In addition to any required local permits, a commercial water extraction enterprise requires a commercial wellhead and or borehole pumping license for each wellhead and or borehole, which is issued by the Water Resources Conservation Board. An environmental impact study is a prerequisite to the issuance of such a license. The term of this commercial pumping license will be for a term of ten years from date of issuance. Commercial water extraction enterprises existing on the effective date of this section may be given a reasonable period of time in which to comply with the provisions of this section.

11. Audit. The State reserves the right to audit the number of gallons of water extracted from authorized wellheads/borehead and other documents that it deems necessary, at the State's convenience, in order to calculate the water fee assessed in subsection 2.

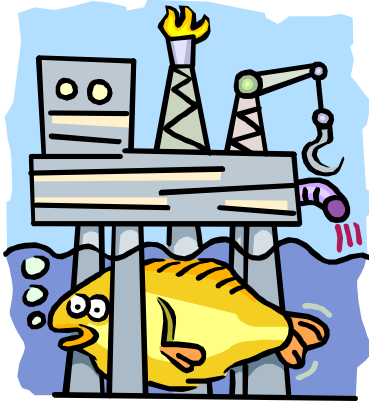
SUMMARY

This initiated bill assesses a fee of 20¢ per gallon for water mined for resale. It establishes the Maine Water Dividend Trust and requires that funds from this assessment be deposited in the trust. It provides that a dividend from the trust, when declared, must be paid to each resident of this State who has filed a Maine income tax return for the prior 2 calendar years. It establishes the Water Resources Conservation Board to monitor and regulate the amount of water removed from each aquifer to ensure sustainability and the long-term viability of the aquifer and to determine that the extraction of water does not negatively affect lakes or other bodies of water, wetlands, farming interests, economic development, private wells or public water supplies.



H₂O for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future



Fortune Magazine
dubbed water
the “oil of the 21st century”¹

Comparison – Oil Industry versus Water Industry

	Oil Percentage ²	Water Percentage without tax
Processing and Packaging	19.0%	3.0% ³
Distribution and Marketing	9.0%	97.0%
Taxes	26.0%	0.0%
Raw Materials	46.0%	0.001 ⁴ %

¹ Source: *Corporate Research Project*, www.ctj.org/itep/may02.htm

² Source: US Department of Energy, February 2004 (source: www.conocophillips.com/news/energy/oil_profits.asp)

³ Source: www.anglingmatters.com – “From the September 25, 2000 Memorandum from Dennis L. Schornack, Special Advisor for Strategic Initiatives for the Office of the Governor, to Governor John Engler, and Sharon Rothwell, Chief of Staff for the Office of the Governor [obtained through a Freedom of Information Act request] ‘The bottled water industry is highly profitable. Using industry figures (IBWA) for production costs (6-11 cents/gal) and retail prices (\$3/six-pack of 24 oz bottles) for “Ice Mountain,” the label Perrier use for the Midwest, Perrier stands to clear \$5-1.8 million/day. Profitability is directly related to the price paid for the raw materials, which in this case, is free.’”

⁴ Source: Maine Department of Conservation contract with Nestle Waters for water extraction at Range Pond State Park



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Comparison – Oil Industry versus Water Industry

	Oil Percentage ⁵	Oil Costs ⁶	Water Percentage w/o tax	Water Costs without tax ⁷	Water Percentage with tax	Water Costs with tax ⁸
Processing and Packaging	19.0%	\$ 0.33	3.0%	\$ 0.10	3.0%	\$ 0.10
Distribution and Marketing	9.0%	\$ 0.16	97.0%	\$ 3.88	92.0%	\$ 3.68
Taxes	26.0%	\$ 0.45	0.0%	\$ 0.00	5.0%	\$ 0.20
Raw Materials	46.0%	\$ 0.81	0.001%	\$ 0.005 ⁹	0.001%	\$ 0.005 ¹⁰

⁵ US Department of Energy, February 2004 (source: www.conocophillips.com/news/energy/oil_profits.asp)

⁶ Oil costs based on retail price of gasoline of \$ 1.75 per gallon.

⁷ Water costs based on retail price of a liter bottle of bottled water at \$ 1.00 per bottle, or \$ 4.00 per gallon.

⁸ *ibid*

⁹ Source: Maine Department of Conservation contract with Nestle Waters for water extraction at Range Pond State Park

¹⁰ *ibid*



H₂O for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Capital Costs for Oil and Water Industries

Capital Costs for Oil \$ 2.5 Billion

\$ 2.0 Billion for offshore project facilities
\$ 500 Million for refinery modernization

Source: American Petroleum Institute

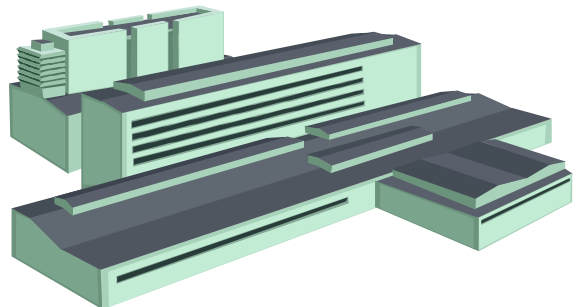


Capital Costs for Water Extraction \$ 150 Thousand

Source: Water Follies, by Robert Glennon,
published by Island Press, 2002

Capital Costs for Water Bottling Plant \$ 100 Million

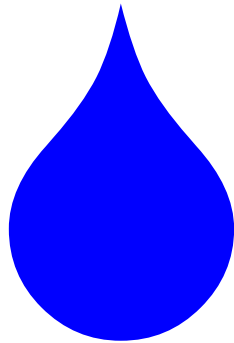
Source: Nashville Business Journal,
October 29, 2003



H₂💧 for ME

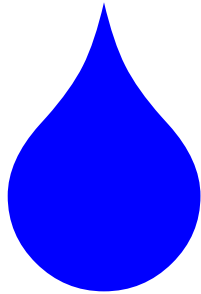
working to increase protection of our fresh water and OUR investment in Maine's economic future

Water – Liquid Gold??



“It struck me.....that all you had to do is take the water out of the ground and sell it for more than the price of wine, milk, or for that matter, oil.”¹¹

Past Chairman, Perrier



“Companies like Nestlé have an economic incentive to maximize their profit by selling water from a common resource – the aquifer.”¹²



“Now, at the end of the month, I push the button and the printer spits out a bill. I pop the bill into the mail. I get a check, and once a month I go to the bank and deposit it. It's the best thing ever.”¹³

Principal of Pure Mountain Springs, LLC,
supplier of Evergreen Spring, Fryeburg, Maine to
Poland Spring, Nestle Waters, NA

¹¹ Source: Blue Gold, by Maude Barlow and Tony Clark, page 142

¹² Source: Whose Water is It?, by Robert Glennon (published by Island Press, 2002)

¹³ ibid



H₂O for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

How Much Water Profit??

24-Ounce Bottle Water Calculator¹⁴

Cost of one acre foot of water ¹⁵ An acre foot of water is 43,560 cubic feet or roughly 326,000 gallons	\$ 1,630.00
Cost of Bottling	\$.10 ¹⁶
Selling Price of 1 Bottle	\$.85
<u>GROSS PROFIT</u> for ONE ACRE FOOT SOLD	\$1,300,875.50

¹⁴ Source: Geotechnical, Rock and Water Resources Library (GROW), University of Arizona, © Arizona Board of Regents (<http://www.grow.arizona.edu/water/drinkingwater/source.shtml>)

¹⁵ Maine Department of Conservation contract with Nestle Waters for Range Pond State Park water extraction; Cost of water, \$.005 per gallon

¹⁶ "Perrier stands to clear \$0.5 - \$1.8 million/day." From the September 25, 2000 Memorandum from Dennis L. Schornack, Special Advisor for Strategic Initiatives for the Office of the Governor, to Governor John Engler, and Sharon Rothwell, Chief of Staff for the Office of the Governor (obtained through a Freedom of Information Act request), "The bottled water industry is highly profitable. Using industry figures (IWBA) for production costs (6-11 cents/gal) and retail prices (\$3/six-pack of 24 oz bottles) for "Ice Mountain," the label Perrier uses for the Midwest, Perrier stands to clear \$.5-1.8 million/day. Profitability is directly related to the price paid for the raw material, which in this case, is free." (Source: http://www.anglingmatters.com/ww_midwest.htm)



Water, Jobs, and Local Taxpayer Impacts

💧 Mecosta County Michigan:

Perrier [Nestlé Waters, NA] completed and brought into production its first plant in May 2002. Over the next year, the plant doubled in size.

What was the impact on the economy??

- Nestle received nearly \$10 million in local property and state education tax abatements¹⁷
- School taxes were waived for 12 years
- Only 45 employees are required to run the plant at start up, with 200 people being employed at full build-out¹⁸
- Gross profits are estimated to be “between one half and 1.8 million dollars a day”¹⁹

💧 Red Boiling Springs, Tennessee

- At initial startup the water bottling plant will employ about 80 people. Eventually the plant will employ 200 people. Some jobs will be warehouse/forklift operators, production operators, customer service representatives, administrative positions, managers/supervisors and quality control analysts.²⁰
- Tennessee has:²¹
 - no state sales tax on manufacturing equipment
 - no state property tax and no payroll income tax
 - investment tax credit of 1 percent
 - franchise tax jobs credit
 - no state property tax on work in progress and finished product inventories
 - infrastructure and training grants up to \$750,000
- Currently “only between 12 to 15 people from Red Boiling Springs” are working at the plant.²²

¹⁷ Source: Hitting the Bottle. Michigan residents fight for control of the state's water, by Keith Schneider, 23 October 2002 (www.gristmagazine.com/maindish/schneider102302.asp)

¹⁸ Source: Some call for water law to protect state water resource, courtesy of AP, October 7, 2001 (www.greatlakesdirectory.org/mi/1007water.htm)

¹⁹ Source: www.anglingmatters.com/ww_midwest.htm

²⁰ Source: Interesting Facts about Nestle Waters North America's Red Boiling Springs Operation As discussed in the Macon County Chamber of Commerce Meeting November 25, 2003, www.redboiling.com/nestle/waters.htm

²¹ Source: Welcome to Macon County, TN! Macon County's Industrial Development Web Site, (www.maconcountyttn.com/inddev.index.htm)



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

💧 Red Boiling Springs, Tennessee (cont)

- "US Department of Commerce has invested \$1 million in Macon County to attract \$100 million in private investments and create 220 new jobs.

The money will go toward improvements and facilitate the location of the Nestle spring water facility in Red Boiling Springs."²³

💧 Florida

Madison Blue Spring, Madison County, Florida is the site of a new Nestle Waters bottling plant which broke ground in 2003. The plant will span one million square feet.

- Access road was built by state using a \$1.3 million grant from the State of Florida²⁴
- Nestle says the plant will initially hire 50 to 70 employees and may provide 250 jobs within 10 years.²⁵

💧 Fryeburg, Maine

Nestle Waters currently purchases water from Pure Mountain Spring (PMS) which is sourced from wells owned by the Fryeburg Water Company (FWC). This water is sold to PMS from FWC at bulk water rates controlled by the Maine Public Utilities Commission.²⁶ Nestle Waters announced they would like to build a bottling plant in Fryeburg, but have delayed a final decision until 2005.²⁷

- An official from Nestle Waters announced that there would be up to 350 jobs at a proposed bottling plant at full build out. These jobs would have benefits and would be paid at 75% of the prevailing wage.²⁸
- Fryeburg currently is the number two entry point into the State of Maine. Poland Spring has stated that the bottling plant would add about 500,000 more vehicles to the roads with truck and employee traffic.²⁹

²² Source: Caught between a rock and a hard place, by Suzanne Brabant, Macon County Time, March 23, 2004 (www.maconcountytimes.com/articles/2004/03/23/news/newsa.txt)

²³ Source: Nashville Business Journal, October 29, 2003 (Nashville.bizjournals.com/nashville/stories/2003/10/27/daily32.html)

²⁴ Source: <http://tfn.net/Springs/MadisonBlue.htm>

²⁵ Source: <http://www.research.fsu.edu/researchr/fall2003/springtime.html>

²⁶ Source: Some Highlights and History of Fryeburg Water Company, an open letter from Hugh Hastings, President and Director of Fryeburg Water Company to the Town of Fryeburg

²⁷ Source: Poland Spring cancels deadline for proposed plan in Fryeburg, by Carol Coultas, Lewiston Sun Journal, (www.sunjournal.com/print.asp?slg=031804bottler)

²⁸ Source: Poland Spring Public Meeting held in Fryeburg, Maine, January 28th, 2004

²⁹ *ibid*



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Just What IS the Resulting Investment in Jobs?



The Water Dividend Trust (WDT) will be investing a substantial portion of the total monies collected each year to establish a revolving loan fund to help Maine small business and farm enterprises. This loan fund will be used for financing entrepreneurs and small farmers.

Fifty percent of all entrepreneurs begin their businesses between the ages of 24 and 44. Therefore, the trust will make a special effort to reach Maine's young people. The key to having Maine's young citizens stay in Maine is to create economic opportunity. "Our nation's gross domestic product for 2002 was \$10.2 trillion...the small [business] sector was just over \$5.3 trillion", states Donald Wilson president of the Association of Small Business Development Centers. ³⁰Entrepreneurship is central to a increased economic activity and a more prosperous Maine community.

"Entrepreneurs create between 60 to 80% of the new jobs nationwide and generate more than 50% of the nation's gross domestic product. [Without entrepreneurs], President Bush stated last year, "the American dream would go unrealized."³¹

³⁰ Source: USA Today, article by Rhonda Abrams, www.usatoday.com/money/smallbusiness/columns/abrams/2004-02-13-smallbiz_x.htm

³¹ ibid



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Jobs continued:

We anticipate that the fund will be leveraged by reselling the portfolio on Wall Street. We will be holding ten percent of the fund as a reserve for bad debts and for the fund management costs. We also plan to leave an amount in excess of \$ 25,000,000 as fund reserve which will grow as it will be tied to an escalator factor.

For the first two years, the fund will be allowed to grow with its interest earnings. No loans will be made during that period. Once adequate reserves have been established, loans will be processed against the available balance.

	Anticipated Loan Amount	Number of Jobs Created
Year 3	\$ 50,000,000	3,400
Year 4	\$ 90,000,000	6,100
Year 5	\$ 140,000,000	9,500

The above table reflecting the number of jobs created is based upon the US Small Business Administration (SBA) figures. The SBA stated that for loans under \$ 50,000, a new job is created for each \$ 14,700 loaned.



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Have you thought about Maine's Water – How today it's Maine's Oil?

Water is an important and critical natural resource that we all have invested in, publicly and privately, to clean up and preserve. BUT – all this has not been without a price. Businesses and jobs have been lost as a result of this effort. This investment has been necessary and worth the cost and hardship. The results are obvious. Maine has clean water.

What we haven't properly considered is – Whose water have we protected?

For centuries, we have always believed that the water belonged to all of us, to all the citizens of Maine. When we began fighting the clean water battles 30 – 40 years ago, here in Maine and around the country, we were not focused on bulk water extractions, some of which are managed by a large transnational water cartel. They saw something that we took for granted. Our clean water was free and large profits were for the taking as long as the citizens of Maine were asleep. We are no longer asleep and we can protect our water and share in the benefits of our investments.

Over the past few months, a small group of concerned Maine citizens formed a coalition to change the State laws to secure a more prosperous Maine future. H₂💧 for ME grew from that effort.

H₂💧 for ME has three major objectives:

- 💧 Ensure Maine's aquifers are monitored for sustainability and protected.
- 💧 Enact a water royalty fee on containerized water sales, to be paid into a dedicated trust fund, Maine's Water Dividend Trust, which will benefit all Maine's citizens
- 💧 Invest the trust fund in Maine's economy. Dividends earned from this trust will be paid to Maine citizens for their years of clean water investment.

In this effort we have garnered support from hundreds of citizens: from Presque Isle to York, from Oxford to Washington Counties. We have support from farmers, small entrepreneurs, veterans, trades people, and business owners. Politicians have also signed on board to help enact this legislation. We just began to fight!

Now, we need your support and your contributions. Up until now, we have been funding this effort alone....no complaints..... But now we need YOUR help. If you think this is an idea that needs to be enacted, we need your support. We are up against some of the largest corporations in the world. Maine people will meet this challenge! Your donation would be appreciated and well looked after.... This is your opportunity to step forward, to make a difference, and to be part of the fight to keep the clean water benefits within Maine for now and future generations!

Thank you for your help and your contribution.

Jim Wilfong, Stow Maine



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Contact List

- ◆ James F Wilfong

Phone: 207.697.2060

Fax 207.697.3466

H₂💧 for ME

PO Box 52

Fryeburg ME 04037

Email: info@waterdividendtrust.com



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Press Coverage



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Press Release

Date: March 5, 2004

Subject: Citizen's Group Announces Maine's Water Dividend Trust Campaign Initiative

For Release: Immediately

Contact: Dick Dyer, APR (207) 377-3404
Cell: (207) 458-9458

AUGUSTA -- A citizen's initiative, headed by former Maine Legislator Jim Wilfong, is on its way to the Legislature according to plans announced today at the State House. The initiative is to be known as "Maine's Water Dividend Trust" because dividend income will be raised from charges on bottled water mined from Maine's many aquifers. These funds will be invested for the benefit of all Maine's people, especially Maine's younger citizens.

At the press conference held today, Wilfong said, "For nearly 35 years, Maine people have invested billions of dollars, privately and publicly, in the stewardship of our groundwater resource -- making sure it is as plentiful and pristine as the glaciers left it ten thousand years ago. In this century, water is to Maine in importance, as oil has been to Saudi Arabia in the last one. For years, companies have been making significant margins bottling free water for consumption around the world. It is now time for Maine people to receive a dividend from their equity in Maine's groundwater."

According to a release, the Trust would be funded by a .20 cent per gallon clean water reimbursement charge. Trust income would be used to reduce local property taxes, encourage small business/family farm development and to make long-term investments in education. The projected revenues for the first year are expected to reach \$100 million dollars (based on an estimated one-half billion gallons of bottled water presently mined by commercial bottlers from Maine's groundwater inventory).

(more)



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

“The reasons for this initiative are many and include,” Wilfong added, “The need to strengthen Maine’s laws regarding the sustainability of our groundwater supplies and to compensate Maine taxpayers for their vision and financial commitment to preserve and protect Maine’s fresh water.” Wilfong continued, “Our generation must use this water dividend to create an ongoing trust for our children and grandchildren that helps them to live in Maine and prepares them to compete and thrive in a global, knowledge-based economy. Mutually prosperous Maine communities, communities with a bright future and opportunity, will be built in part by a skilled workforce, innovative entrepreneurs, fishermen and family farmers. The Trust will invest in them and their ideas. Continued public and sustainable management of our most essential common resource, water, will work to the mutual benefit of Maine people and our corporate water partners. A water dividend will provide an expected return on investment at a time when it can be best put to work for all generations of Maine people.”

###



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Radio and Television Articles

On March 5, 2004, Jim Wilfong conducted a press conference from the State Capitol in Augusta.

Besides print media (which you will see in the following pages), Jim was interviewed by reporters from the local television affiliates of ABC, NBC and CBS. Brief pieces about Maine's Water Dividend Trust appeared out of Bangor and Portland broadcast areas.

In addition, Maine Public Radio covered the conference and interviewed Jim and others for a lengthy piece, broadcast that evening on Maine Things Considered. This entire story can be heard on the web at <http://www.mainepublicradio.org/asx/040305water.asx>.

All media indicated plans to cover the story in more depth as the campaign unfolds.

As is noted in the public relations strategy, the campaign intends to reach out to media outlets, large and small, as individuals tour the entire State.



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Print Articles



Bangor Daily News

By Jeff Tuttle

Last updated: Thursday, March 18, 2004

Tax on bottled water could raise \$100M

An answer to Maine's current fiscal woes might be inside your office water cooler, according to one former state lawmaker. Jim Wilfong, a Stow businessman and former state representative, has proposed -with some legislative support, he says - a 20-cent-per-gallon tax on bottled water.

The tax would be paid by companies that bottle and sell water from the state's aquifers, producing \$100 million in new state revenue - a return on Maine taxpayers' investments in clean water over the years, Wilfong said.

"This is a public resource, a public asset, and the citizens have worked to protect it," said Wilfong, who likened the tax to a 12.5 percent levy on oil drilled in Alaska. "Why should we just let the water go for free?"

The proposal, floated as the state works to close a \$128 million Medicaid shortfall in the fiscal 2005 budget, nonetheless was met with consternation by the governor's office.

"The governor welcomes any input, but because of the T-word it's not an option," said Lee Umphrey, a spokesman for Gov. John Baldacci, who on Wednesday vowed to veto any tax increase. "We need to find other solutions."

Bottled water companies in Maine were even less enthusiastic about the idea, which they said unfairly targeted the industry while allowing others such as paper mills to use the water for free.

"It seems unusual to single out one user in one of Maine's few growing natural resource industries," said Jane Lazgin, a spokeswoman for Maine-based Poland Spring, the nation's best-selling brand of spring water.

Poland Spring, which has plants in Poland and Hollis, is licensed to withdraw 500 million gallons of water each year, said Lazgin, although it typically withdraws 25 percent less to better sustain its supply.

A version of the plan would exempt companies from paying the tax on the first 250,000 gallons they withdraw each year.



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

BANGOR DAILY NEWS (continued:)

Nevertheless, officials at the relatively tiny Mount Desert Spring Water in Southwest Harbor dreaded the thought of a new tax.

"That's outrageous," said Gary Scillia, the company's manager, who predicted the levy's devastating effect on the business, which uses only about 500,000 gallons a year. "I'm just going to have to pass it on to my consumer and it's just going to cost me business."

Wilfong said he would seek to introduce the plan as an emergency bill this legislative session. Otherwise, he would begin collecting signatures to put the matter out to voters in a citizen-initiated referendum. Under the plan, half the revenue would be dedicated to K-12 education, and much of the remainder would go into a revolving fund to help young entrepreneurs start businesses.



Kennebec Journal

Saturday, March 6, 2004

Tax on bottled Water Wanted Former legislator seeks 20-cent-per-gallon fee to ease property taxes

By SUSAN M. COVER
Staff Writer

AUGUSTA -- Some tax-relief plans Call for slapping the sales tax on new items.

Another would rely on a new state lottery to raise money.

James Wilfong wants to tax water.

Wilfong, head of Maine's Water Dividend Trust, said Friday that adding a 20-cent-per-gallon tax on water will raise about \$100 million in revenue a year. His plan Calls for using about half to fund education, which he said would result in lower property taxes, and about \$40 million to set up a loan fund for small businesses.

"In this last century, water is to Maine in importance as oil has been to Saudi Arabia in the last one," he said during a Statehouse news conference. "For years, companies have been making significant profits bottling free water for consumption around the world. It is now time for Maine people to receive a dividend from their equity in Maine's groundwater."

Wilfong, a former state legislator and small-business entrepreneur, said so far the idea has no support from legislators. But he hopes it will catch on among lawmakers who are in the midst of considering at least six different proposals to deliver property tax relief. If no legislator steps forward to put the idea into bill form, Wilfong said, he's prepared to gather signatures to get it on a future ballot.

"The likelihood of being out gathering signatures is pretty good," he said.

Steve Clifford, owner of Clifford Bottling Co. of Brewer, said he heard similar movements to tax water were afoot in New Hampshire and Massachusetts. In business since 1990, he bottles water in 5-gallon containers for use in homes and offices.

"We'll have to raise our prices to stay afloat," he said when hearing of the proposal. "It doesn't sound good for the small guy or the consumer."

He said his company bottles "a couple hundred thousand gallons" of water each year.



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

KENNEBEC JOURNAL continued:

Legislators are hoping to craft a tax-relief plan that will keep voters from supporting two citizen-initiated plans that will appear on ballots this year. One plan, supported by the Maine Municipal Association, would require the state to fund education at the 55 percent level statewide.

The other would place a \$10-per-\$1,000 cap on local property taxes, plus whatever debt the town or school already has taken on. The Legislature's Taxation Committee is scheduled to hold a public hearing on that measure at 1 p.m. Monday.

It's not yet clear whether that citizen initiative will appear on the June ballot with the MMA plan or on the November ballot.

Wilfong said his plan would put the money in a trust so it can't be raided by lawmakers looking for money in future years.

"If it goes into the General Fund, it gets lost," he said.



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Bridgton News

March 25, 2004

by Mike Corrigan

Staff Writer

Water Dividend Trust

Former State Representative Jim Wilfong's proposal for a Water Dividend Trust for Maine has received a good acceptance from legislators and private citizens he has approached with the idea.

Under the proposal:

- ◆ Water mined from Maine would be taxed at a rate of 20 cents per gallon, as of the effective date of the bill, and adjusted annually on July 1 at the rate of change for the price of bottled water in the U.S. for the 12 months prior to the adjustment.
- ◆ Use of funds. Five percent of the monies collected by this charge will be used to protect the sources of Maine water by funding the Water Resources Conservation Board, which will regulate the amount of water being taken from each aquifer, to assure that the amount of water is sustainable, that it is having no negative effect on the level of the aquifer that might negatively affect the levels of Maine lakes, farming interests or private wells.
- ◆ All monies except the 5% for the Water Resources Conservation Board shall be invested in Maine's Dividend Trust. The trustees shall be charged with protecting the trust and letting the principal grow to a sustainable level.
- ◆ Proceeds from the trust shall be used as follows:
 - 10% will aid the municipalities in an aquifer on a per mile basis to cover the costs of improving and maintaining the roadways and other infrastructure affected by the mining activities.
 - 50% will help Maine meet the costs of K-12 education in Maine, as an investment in Maine's future.
 - 40% shall go to a revolving fund to help all Maine people (particularly young people) to start small business enterprises.



Bridgton News

March 25, 2004

by Mike Corrigan
Staff Writer

Wilfong proposes fee for drawing water for large bottling operations

Why are some businesses able to draw water free and clear (the adjectives can apply to both the businesses and the water from aquifers that run under hundreds of square miles of public and private lands?)

“Would we tell someone in the forest industry, ‘Oh, you work in the woods, take all the trees you want for free?’” former Maine State Representative Jim Wilfong of Stow asked, rhetorically, last Friday afternoon.

He doesn't think so.

Jim Wilfong has been thinking hard about this whole water thing. He proposes that a Maine Water Dividend Trust be established, essentially taxing water extracted for large bottling operations.

“Maine people and Maine government have made billions of dollars in investments to preserve and protect our clean water supplies,” Wilfong notes. “Every time a homeowner puts in a septic system, it's to help clean water, and it can cost the individual from \$10,000 to \$15,000. Industrial waste water treatment systems can cost millions.”

Wilfong, who served in President Clinton's SBA as an assistant administrator for International Trade, and has long boosted the cause of small entrepreneurship, also cites significant public investments in keeping groundwater clean.

These investments and protections run from the Great Ponds Act, to farm and open space laws, and include Tree Growth, the (expensive) closing of landfills, fuel tank removals, Shoreland Zoning, construction of salt sheds, and other laws promoting the safe drinking water, pollution reduction, wellhead protection, and on and on.

The state as a whole, and every town in it, and every citizen, too, not only has a stake in clean water, the Stow Christmas tree farm operator all these interests quite literally have contributed to a public and private grub-stake that preserves clean water.

For this effort, the public and the state get no actual monetary returns; the benefits are significant, but secondary. Yet anyone with the capital and initiative to set up a drilled well can basically pump money from the ground, from a huge aquifer which might underlie dozens of Tree Growth farms, hundreds of septic systems, dozens of old removed fuel tanks, a former closed landfill of three, some publicly-protected wetlands and all the rest

Jim Wilfong has been thinking that this doesn't even make sense. Something is missing from the equation.



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Bridgton News (cont) - Wilfong proposes fee for drawing water for large bottling operations

He proposed a 20 cent a gallon withdrawal tax rate on commercial water extractions exceeding 200,000 gallons.

The former state legislator sees the issue of water as supreme in Maine, since clean, extensive groundwater supplies form the base for Maine's natural setting for tourism, for quality of life and for the building of private and public wealth.

"We have to state recognizing water for what it is. Water and Maine," Wilfong says, "it's like oil and Saudi Arabia."

Without water we can't live, he notes. Without oil, we'd find another way. Severance taxes on oil and natural gas, he notes, are being proposed at a 12.5% level for Alaska. His idea is similar – only it's water and it's Maine.

Wilfong says that he is far from anti-business. His is not an attempt to damage the water extraction industry, he says. "We have a board to find out what level of extraction is sustainable for any one aquifer," Wilfong says. "As long as the groundwater levels are not threatened and people can still use wells and public water supplies, companies could pump to that level. It's a renewable resource. Bottling fresh water is not a bad thing. But it is to the water companies' benefit, as well as to the public's, not to overdraw our aquifers, either"

Good Response

Wilfong reports a good response from legislators he has approached with his water fund/water tax idea. He currently is making the rounds of newspapers with his idea, too.

"If we can't get something through the Legislature, I think we will then just go the referendum route," He says.

Clean, fresh water, something often taken for granted – it falls from the sky! It bubbles up out of the ground! – is advancing as the world's most important natural resource, more valuable than oil, he argues.

"In the future, wars are going to be fought over water," Wilfong predicts. "Tankers will carry water over long distances on the oceans."

Already, he notes, Turkey fills up huge balloons with fresh water and floats them to Israel.

In the U.S., water is growing scarcer in many areas. Development in Florida has been drawing down its natural water supplies, creating problems in the Everglades and creating sinkholes in other areas. The Great Plains have always been short of water – and it takes 1,000 tons of water to produce one ton of grain on those plains.

Water extraction issues have been extensively in the news in the Fryeburg area in recent months. "It isn't just Fryeburg," Wilfong says. "I don't want to get bogged down with the local battles on this issue. It's all over Maine. There is an exhaustible appetite for clean water. Nestle's – which includes Poland Spring brand – has over 70 brand names for water, worldwide, all by itself."



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Bridgton News (cont) - Wilfong proposes fee for drawing water for large bottling operations

The Northeastern U.S. has been ticketed to provide fresh water for Europe in years to come, according to *Water Follies*, a new book detailing the sudden, mostly unnoticed rise of the water bottling industry.

Taxing water extraction would provide a huge reservoir of funds for Maine, Wilfong says. After building up the reserve for a couple of years, with no drawdowns, interest from the fund could produce enough money to help the state support local education to the promised 55% level, and to provide an entrepreneurial fund for young people. "We'd like to keep the money out of the General Fund," says the former president of TradeNex, an export management company. "I served in the Legislature. You put the money in the General Fund, it's gone without a trace."

Five percent of the gross would go to fund a state oversight board. The other 95% would fund to Maine's Water Dividend Trust.

"I started thinking about this in earnest about six weeks ago," Jim Wilfong says. "And I realized if we didn't do something now, the horse is going to have left the barn."

Wilfong does want to make sure that horse doesn't take the watering trough with him.

Wilfong has been talking to legislators, public officials – even to lobbyists for the water industry.

In short, Jim Wilfong isn't wondering, anymore. He's working.



The Mountain Ear

Poland Springs: 'Aiming at wrong target'

Former Maine legislator spearheads drive to tax bottled water producers

By Paul Stuart, Contributing Writer

Thursday, May 27, 2004

FRYEBURG, Maine — Many see Jim Wilfong as a modern-day David — poised to take on a corporate Goliath. But the giant that Wilfong is facing claims he's focusing his righteous wrath at the wrong target.

The primary giant that Wilfong is facing off with in this effort is Nestle Waters North America Inc., parent company of 14 bottled-water companies, including Maine's famous Poland Spring Water Co.

Wilfong's big concern is water — clean, fresh water. And he emphasizes his concerns are national and even worldwide, even though his efforts for now are focused at the state and even local level.

At the state level, he hopes to get a tax bill passed that he says will not only help protect water, but also raise at least \$100 million a year for Maine to use for K-12 education, with some also going into a fund to aid entrepreneurs in starting businesses.

Wilfong, a former Maine state representative (from 1974-1978), was appointed by President Bill Clinton in 1999 as the Small Business Administration's Assistant Administrator for International Trade, serving in that capacity until 2001.

Along the way in his career he picked up on what he sees as an oncoming worldwide crisis in the area of fresh water supplies. In connection with that concern, he is heading an initiative called Maine's Water Dividend Trust (MWDT).

\$100 million a year for state

One of the initiative's main goals is to get legislation passed to put a 20-cent per gallon tax on water drawn from Maine's aquifers for use as a bottled water product.

MWDT predicts the levy would raise about \$100 million a year in revenue for the state, and at the same time would increase protection of the underground fresh water supply.

With extensive water operations in both Poland and Hollis, as well as operations in Fryeburg, Maine, the Poland Spring company withdraws considerably more than 300 million gallons of water a year from the aquifers that underlie Maine — some of which, Wilfong says, stretch into New Hampshire's Mt. Washington Valley, reaching to Bartlett.

The tax proposal being pushed by MWDT would levy the 20 cents per gallon on extractions exceeding 200,000 gallons a year.



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

The arithmetic would seem to indicate that Poland Spring alone, if the measure were to become law, would pay considerably more than \$60 million a year in taxes for its consumption of water.

Poland Spring: 'Unfair' measure

Officials of Nestle Waters, Poland Spring's parent company, don't think that's either necessary or fair.

Agreeing that most states are looking for ways to raise funds in these times, Nestle spokesperson Jane Lazgin said in an interview on Monday, May 24, that taxing water — especially water used only by bottled drinking water companies like Poland Spring — isn't fair or equitable, adding that it could also hurt Maine's efforts to keep and attract other kinds of businesses.

"When people think of water, they don't think of hamburgers or reams of paper," Lazgin said. "But those and other industries use a lot more water on the whole than do bottled water companies."

Lazgin said her corporation's 14 bottled-water companies extract from aquifers across the United States only .001 percent of water used in the country.

And she said that while candidly admitting that those same 14 divisions of Nestle Waters account for 30 percent of the water usage of the entire industry nationwide.

Other, smaller bottled-water companies in Maine have expressed fears such a tax would force them to increase prices to consumers.

But Lazgin seemed also to believe the door was still open for compromise.

Nestle-Wilfong parley?

"For some time," Lazgin said, "we've wanted to sit down and talk with Mr. Wilfong. Apparently it just hasn't been convenient yet."

Lazgin indicated if the state should find it appropriate to tax extracted water, it might not be quite so damaging if the necessary revenue sources were wider — that is if other industries that use water, often in as high or higher volumes than Poland Spring — were included in the levy. The same money, she said, could be raised without such a heavy impact on the bottled-water industry alone.

Lazgin noted that Poland Spring and similar companies tend to be very protective of the environment and the aquifers, because they have a vested interest in sustainability.

The direction the Maine initiative takes could be a compass for similar legislation reportedly being discussed in some circles in New Hampshire and Massachusetts as well.

Wilfong, on Tuesday, May 25, said he was heartened to hear of some of Lazgin's comments.

"I'm all for being fair," Wilfong said. "I haven't received an invitation yet, so far as I know," Wilfong added, "but I'd be willing to talk."



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

In the meantime, Wilfong confirmed that Maine's Green Party had put a plank in this year's party platform in essence endorsing the initiative.

"What's even more exciting for me," Wilfong added, "is that in this issue I'm finding Republicans, Democrats, Independents, Green Party members and others cooperating for the same objective — water conservation and a sound economic future.

"It's not just the issue itself — it's that this kind of cooperation shows how people with different perspectives can cooperate on issues that are important for all of us," Wilfong added.

Wilfong, in an interview for The Mountain Ear on April 23, stressed his belief that the production and sustainability of water resources will in the near future become more critical than the issues that have surrounded petroleum resources for so many decades.

"Already super-tankers are being designed to carry not oil, but water to ports in lands where water is scarce. And water is getting scarce in many parts of the United States," Wilfong said. "Then, too, for their own reasons," he warned, "multi-national corporations are making often-successful efforts to gain control of water rights and the facilities that provide drinking water for major urban areas throughout the world."

In specific terms, the MWDT initiative in Maine would distribute resulting revenues in the following way:

- 10 percent to aid municipalities in an aquifer on a per-mile basis to cover costs of improving roads and other infrastructure affected by the water-extraction activities,
- 50 percent to help Maine meet the costs of K-12 education, and
- 40 percent to a revolving fund to help Maine residents, especially young people, to start small business enterprises. Wilfong is hoping to get the initiative on the June 2005 ballot, or, at the latest, on the November 2005 ballot.

Editor's note: For more on the initiative, go to www.waterdividendtrust.com



The Portland Phoenix

YOUR ENVIRONMENT

The water war begins

BY LANCE TAPLEY

Issue Date: June 4 - 10, 2004

One of the 21st century's biggest political struggles will concern who controls the world's fresh-water supply. According to the Reuters news service, "total consumption of water since 1900 has increased nine-fold and, currently, demand outstrips world population growth by around two to three percent per annum." As with oil, timber, and fish, the dispute will be over private use of a public resource.

In Maine, the water war has suddenly erupted on a couple of fronts.

Former Democratic legislator and Clinton trade official James Wilfong of Stow is putting final touches on an initiative bill to establish a state tax on groundwater if it is extracted for the purpose of being bottled. He estimates the tax could bring in \$100 million annually to a trust fund that would invest in Maine small businesses and education. The bill could be on a statewide ballot in 2005.

"Water is Maine's oil," Wilfong says.

The tax would heavily hit Poland Spring Water Co., which pumps about 400 million gallons a year for free from Maine aquifers and then sells the water in bottles around the country. Poland Spring does not like Wilfong's idea.

"There would be a jobs impact," says Tom Brennan, company spokesman. A subsidiary of Swiss giant Nestle SA, the largest food and beverage corporation on the planet, Poland Spring employs 600 in Maine.

Nestle is already engaged in another battle. In Pierce Pond Township, near the western Maine mountain hamlets of Lexington Township and Highland Plantation, Poland Spring wants to remove 80 million gallons of water a year from two 60-foot-deep wells. It already has wells in Poland, Fryeburg, and Hollis, and bottles the water at plants in Poland and Hollis. (No Poland Spring water literally comes from springs.)

Many people who live on or near the Long Falls Dam Road, which quietly wends through the forest as an access route to the Bigelow Preserve and the Appalachian Trail, are highly concerned about 40 tanker trucks a day going back and forth. They have formed Citizens for the Protection of Maine's Groundwater. Two public meetings have each brought out more than 100 citizens.

It may seem like it's a few citizen Davids against a corporate Goliath, but savvy organizer Jonathan Carter, former Green candidate for governor, happens to be a Lexington resident.



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

He and his friends are specifically protesting what they call a Land Use Regulation Commission (LURC) rush to give Poland Spring/Nestle permission for its \$1.4-million project. LURC, which regulates development in the Unorganized Territory, has not allowed a public hearing on the issue.

Poland Spring contends that the road traffic will not be a problem. It suggests the company's growth may allow it to build a \$120-million bottling plant in western Maine. The plant could employ 200 or more workers, according to Brennan.

The citizen's group recently lost a skirmish. After some effort, it failed to convince LURC to hold its vote on the Poland Spring application in North New Portland so that many Lexington and Highland people could attend. The meeting will take place as scheduled June 9 in Greenville.

In addition to traffic overload, the group believes unresolved issues include "proximity to sludge, destruction of deeryards, impact on recreational users in and around the Bigelow Preserve . . . and the investigation of alternatives such as a pipeline." Poland Spring says these issues have been settled, and it doesn't want traffic restrictions.

The new group argues that this quarrel is more than a NIMBY matter. The giving over of Maine's 10.4 million acres of wildlands "to multinational corporations like Nestle for commercial water extraction sets a precedent which has huge implications for the future," it says in a press release.

Looking at the even bigger picture, Carter is working with Wilfong on the tax proposal.



The Conway Daily Sun

Tip of the Iceberg

Editorial by Susan Meeker-Lowry

Issue Date: June 8, 2004

Today's water is tomorrow's oil. This is a fact. The United Nations has forecast that global per-capital water availability could decline by as much as a third within just 20 years. Already, a fifth of the world's population – one billion people – have no access to safe drinking water. At the same time, multinational corporations are buying up public water systems and water rights are traded like commodities. Here in the Saco River Watershed, we are blessed with abundant, clean water. The aquifer under us stretched from Bartlett to the ocean. And the water is pure. Decisions made by individual towns regarding this aquifer affect every community and every ecosystem along the way.

As you probably know, Fryeburg is home to a Poland Spring (aka Perrier, aka Nestle Waters) pumping station. Earlier this year a proposal was put forth to build a bottling plant in Fryeburg and dramatically increase the gallons of water pumped from the aquifer. A huge number of jobs were promised and you could see the dollar signs in some people's eyes. A fact finding committee, which is limited to current members, was formed in town. At its second meeting, held in March, the committee was visited by Nestle reps. According to the minutes posted on state Rep Kevin Muse's Web site (www.muses.org) while questioning them, "It became clear very quickly that definitive answers take time to develop". The committee later visited bottling plants in Poland Springs and Hollis and concluded that the plants were "clean and environmentally nonintrusive". Needless to say, increased water withdrawal and the bottling plant were controversial issues and in March, Nestle decided to wait a year before deciding where to locate its new Maine bottling plant. "So", to quote one of the folks I recently spoke with, "that Fryeburg can get all its ducks in a row." In Maine, as in many other states, water is not considered a 'commons'. If you own a piece of land you own everything under the surface, so you can drill a well and pump as much water as you want.

Meanwhile, for the past three or four months, I've been hearing rumors from customer at the store where I work that test wells being drilled at various places in the area. I recently learned that rumors are, in fact, true. A pumping station is being proposed for Denmark along with a 2 ½ mile water line from the site to the road. It seems that Nestle hasn't gone away and so I decided to look into the issue.

A quick Internet search and I had several articles from around the country detailing a wealth of environmental woes directly resulting from Nestle's overzealous water mining activities – that's what it is, let's be honest. Complaints range from damages resulting from salt water intrusion in coastal communities, to toxins like heavy metals finding their way into local water supplies, to lowering the water table resulting in the loss of wetlands and fish habitat. Grassroots organizations such as Michigan Citizens for Water Conservation, Save Our Springs Inc, in Florida and Sweetwater Alliance in Michigan have sprung to life to counter the threat from Nestle and to address water related issues in their regions.

The bottled water industry is the fastest growing segment of the soft drink sector and Nestlé is one of the biggest players. Nestlé is also the largest food company in the world with 500 factories and 231,000 employees worldwide. Nestle Waters markets about 70 brands in 130 countries, and accounts for 9 percent of its parent company profits. From 1998 to 2001, Nestle Waters revenue has doubled (to \$2.1 billion) with 32.5 percent of market share. (www.perriergroup)



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Nestle is no saint. From 1977 to 1986 it was the target of an international boycott coordinated by INFACT for its role in infant malnutrition and mortality due to aggressive marketing of infant formula in third world countries. With regard to water, Nestle claims that it has a commitment to "protect our sources and be respectful of the communities in which they are located." Of course it's going to say this. But the reality doesn't jibe with lofty words. In fact, it seems that what it does is pump all the water it can. And why not? It pays nothing for the water itself. It's pure profit for as long as the pumps run, which it does, 24/7. Nestle's pattern goes something like this: Find a small community in a water-rich region that's desperate for "clean" jobs. Promise them that careful monitoring of "the resource" will take place and that local needs will always take precedence. Bring in representatives who speak reassuringly to concerned local citizens. When things get heated, back off while working quietly behind the scenes to get the support of large landowners and people well-respected in town. We have to remember who we're dealing with here and regard anything Nestle says with many, many grains of salt.

This is a complicated issue. For me, as always, the bottom line is the Earth. It makes no sense to allow Nestle, or any company to pump millions of gallons of water from the Saco River Aquifer so that a few people can get rich. I understand that the aquifer is made of sand and gravel allowing a lot of water to pass through. It also has a high recharge rate. However, this does not mean that millions of gallons a year can be pumped out with no negative effects. Everything is connected and by the time changes are visible, it may be too late. According to University of New Hampshire professor, civil engineer and hydrologist Tom Ballester, "The groundwater they are pumping and exporting was going somewhere before where it had an environmental (benefit) Once you take it out, it's gone forever." No study can predict what the situation will be in 10, 20, or 100 years. We could deplete the aquifer in a generation and then what? No amount of money can bring it back. No amount of money can re-create Brownfield Bog or Round Pond or the precious Saco River itself.

Local people are very concerned and people are talking amongst themselves. Jim Wilfong has already initiated Water Dividend Trust Campaign (www.waterdividendtrust.com). This issue is not going away. Nestlé has got its foot in the door and wants to shove it wide open by, whatever happens, the decision should not be left to Fryeburg or Denmark alone. Every one of us has a stake along with future generations, not to mention the frogs, birds, snakes, fish and other creatures who cannot speak for themselves. This is just the tip of the iceberg. Stay Tuned.

Susan Meeker-Lowry is a writer who lives in Fryeburg.



Mainebiz, July 5, 2004

FOCUS ON WESTERN MAINE

Water world

Small-biz advocate Jim Wilfong's proposed tax on bottled water already has some Maine businesses up in arms

BY TAYLOR SMITH ~

Water, according to Jim Wilfong, is Maine's oil: He came to that conclusion last year as he drove with a friend through the oil fields of east Texas. Wilfong, a business leader and former state legislator from Fryeburg, was struck by the poverty in the area, and the oil-rich region's

inability to benefit from the huge economic windfall in its own backyard. He figured Maine, a state that relies heavily on its natural resources, was poised to share a similar fate unless action was taken to protect its valuable commodity.

The Wilfong file

Age: 57

Hometown: Stow

Education: Fryeburg Academy, 1964; University of New Hampshire (dropped out, 1965)

Career highlights: Maine House of Representatives (1974-1978); Small Business Administration's assistant administrator for International trade; marketing and sales consultant; educator

Current activities: Organizing Maine's Water Dividend Trust initiative; entrepreneur in residence at the Center for Entrepreneurial Leadership at the Kansas City, Mo. – based Ewing Marion Kauffman Foundation; working to establish an international trade mission between American and Vietnamese veterans of the Vietnam war

Family: Lives in Stow with wife, Valerie and their two children

According to Wilfong, Maine's public and private sectors have spent billions keeping the state's groundwater supplies clean; bottled water companies, he contends, are getting a free ride by marketing their products' clean Maine attributes, but paying just a pittance in taxes. Wilfong figures that the gross profits on one acre-foot of water sold (roughly 326,000 gallons) by companies such as Nestlé Waters North America Inc., which owns the Poland Spring brand, come to more than \$1.3 million. The amount Nestlé pays for that water? Just \$1,630, or about half a penny per gallon, according to one agreement the company reached with the state Department of Conservation.

The solution, says Wilfong, is to tax purveyors of bottled water, who package and sell half a billion gallons of Maine groundwater each year. He recently submitted to the Secretary of State a citizens' initiative that would charge the companies 20 cents per gallon of water taken from the state's water supply. The next step: gathering the 50,519 signatures required to put it on the ballot in either November or next June.

The proposal has led detractors — largely representatives of bottled water companies — to



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

charge that Wilfong is anti-business, a unique irony for a man with a long history of educating entrepreneurs via FastTrac, a program he founded in Maine. In fact, Wilfong recently was recognized as veteran small business advocate of the year by the Small Business Administration's Maine district.

And his zest for small business — with the emphasis decidedly on *small* — is evident in his plan for the revenues from the bottled water tax, which would be stored in a fund called Maine's Water Dividend Trust. The funds, which he estimates would hit \$100 million in the first year alone, would be parceled out to municipalities in aquifer zones, the Land for Maine's Future program, the Department of Conservation and Maine taxpayers; who would receive a yearly MWDT dividend. One quarter of the fund would be used to finance infrastructure projects through state and municipal bonds. But the largest chunk of the fund's money — some 40% — would be earmarked as loan capital for Maine's small businesses.

Entrepreneurial thinking

The oldest of six children, Wilfong is a serial entrepreneur who cut his teeth as a farm boy growing up in rural Oxford County. He would sell his family's home grown cucumbers, tomatoes and pumpkins from their front porch. He peddled earthworms to fishermen and blocks of ice to weekend campers.

But he says that his real entrepreneurial education didn't start until the early 70s, when a friend convinced him to become an independent East Coast sales and marketing rep for Sun Valley, Idaho-based ski accessory company Scott USA. Initially nervous about the proposition of working on his own, Wilfong quickly warmed to the situation. "It was just something I took to," he says. "Instead of working for somebody, punching the clock, I was responsible for my own success or failure."

Wilfong's stint with Scott USA was followed by a successful campaign for the Maine House of Representatives in 1974. He represented the Fryeburg district for two terms, joining a group of hopeful young politicians disillusioned by the recent Watergate debacle. "The average age of the Legislature dropped by 20 years when we were elected," says Wilfong, who adds that his stint at the State House was the best job he's ever had.

The entrepreneurial bug bit Wilfong again toward the end of his second term in the House. Another friend convinced him to head up the domestic operations for Austrian ski manufacturer Atomic, which in 1977 was looking to break into the competitive U.S. market. Wilfong's strategy was to market the skis through specialty retailers rather than mainstream ski shops. The result? Atomic skis gained market share hand over fist, rising from number 27 in the market to number two behind French ski-maker Rossignol in just a few years.

His second-favorite job, however, was on a much larger stage. In 1999, after holding a variety of positions ranging from venture capitalist to consultant for a manufacturer of hiking boots, Wilfong was offered a position in the Clinton administration as the SBA's assistant administrator of international trade. But before he took the position, Wilfong worried that he wasn't the right man for the job. "I told [SBA Administrator Aida Alvarez] that I might not be the person she was looking for because I'm not much of a bureaucrat," he says. "I'm not particularly good at pushing paperwork and I didn't want to get someone in a jam because I hadn't done the proper paperwork [Alvarez] said, 'You're just what we want. We have plenty of people to do the paperwork if it's not illegal, immoral or unethical and you think it's the right



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

thing to do for small businesses, I'll back you up.' I was stunned."

Trickle-down economics

Wilfong was mentioned as a candidate for the SBA position by an old friend, Mary McAleney, the Maine SBA district director. Since his time in the Legislature, Wilfong has been plugged in to a network of movers and shakers in Augusta — many of whom, he says, are behind the Maine's Water Dividend, Trust initiative. Though he won't identify his supporters specifically, Wilfong expects them to go public in the next few weeks to drum up interest in the plan.

However, a vocal opposition already is emerging. Jim Milligan, owner of Gorham-based Carrabassett Spring Water, ticks off a list of economic hurdles his business already faces, including tests required to ship the company's water over state lines and Maine's bottle deposit tax. "The bottle deposit tax alone is killing us," he says. "Maine needs to focus on how they can make business grow, not how much they can tax [business]."

Jane Lazgin, a spokesperson for Nestlé Waters North America, puts her company's opposition to Wilfong's proposed tax in more direct terms: "A tax would wipe out profits and put in jeopardy 572 jobs," she says, referring to the number of people Poland Spring employs in Maine. "It would cost the state \$50 million [annually] in payroll, taxes and spending in local businesses. If you take a business and wipe out its profits, it effectively kills the golden goose."

Wilfong freely admits that smaller companies like Carrabassett aren't the intended target of this initiative; in fact, the initiative would exempt companies that bottle less than 500,000 gallons of water a year. (State officials aren't sure if anyone actually tracks how many gallons bottled-water companies draw each year in Maine, and Milligan of Carrabassett Spring Water can't say how many gallons his company bottles every year.) Wilfong's goal, he says, is to extract compensation from larger operations — like Nestlé — that are taking Maine's water for a song and leaving the state much like oil prospectors left the fields of east Texas: robbed of the profits of their natural resources.

But what if companies like Nestlé find the tax too burdensome and pull out of Maine? Dick Dyer, a Winthrop businessman and co-organizer of Maine's Water Dividend Trust, isn't worried. The bottled water market is so competitive, he says, that Maine's natural resources inevitably would attract another company willing to bear the tax burden;

And while jobs may be lost if the tax goes through, Wilfong is convinced that the money gleaned from the 20-cent-per-gallon tax would create thousands of new jobs by making more money available for the state's small businesses. "I want the money to be kept in Maine, circulating around Maine's economy," says Wilfong. "All of a sudden, people would say, 'We've got a good business idea, maybe we ought to move to Maine and make that happen.'"

Taylor Smith, *Malneblz* staff reporter, can be reached at tsmlth@malneblz.blz.



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Appendix



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

GLOSSARY³²

Acre-foot - An amount of water covering one square acre to a depth of one foot. One acre-foot is equal to 325,851 gallons, enough water to fill a football field one foot deep or supply all the needs of an average four-person American family for one year.

Aquifer - A subterranean geologic basin, composed of unconsolidated materials such as sand and gravel, or consolidated rock such as sandstone and fractured limestone. Aquifers are permeable enough to store, transmit, and yield groundwater in usable quantities.

Cone of depression - A cone-shaped lowering of the water table around a pumped well.

Confined aquifer - An *aquifer* with a nearly impermeable upper boundary that helps confine it from other water sources. Unconfined aquifers, by contrast, have direct contact with the water table and thus are generally more available to *recharge* and more susceptible to contamination than confined aquifers are.

Drawdown - A decrease in the water level of an *aquifer* or well as the result of pumping.

Groundwater - That portion of water beneath the surface of the earth that can be collected through wells, tunnels, or drainage galleries, or that flows naturally to the earth's surface via seeps and springs.

Potentiometer head - A measure of an *aquifer's* water pressure, as reflected by the height to which its water will climb when tapped by a well.

Recharge - The addition of surface water or precipitation to an *aquifer*. An aquifer's rate of recharge depends on the availability of water, the physical characteristics of soil and rock that the water must pass through, and the ability of the aquifer to accept the water that arrives.

Safe yield - Historically, a standard of *groundwater* use based on the difference between an *aquifer's* annual rates of *recharge* and discharge: that is, the volume of water an aquifer takes in minus the volume of water it loses through outflow into springs and washes and through other natural processes. If users pump ground-water at a rate that exceeds this difference, they have exceeded the aquifer's safe yield.

Water budget - Method of allocating water resources among competing uses.

³² Source: Natural Resources Defense Council, *Drawdown, Groundwater Mining on the Black Mesa* (www.nrdc.org/water/conservation.draw/glossary.asp)



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Committee of 2005 Signatures

Name	Address	Phone	E-Mail	Use Name	Volunteer? How?	Signature



Fresh Water and the Global Economy

The quotes below offer some global perspective on the issue of fresh water politics, the international water cartel, and, the challenges presented by globalization.

- ◆ Water is a Human Need and NOT a Human Right [???

United Nations and World Bank policy

- ◆ "Clean water is a universal human right" Mikhail Gorbachev

The Environmental Magazine, by Brian Howard. Sept-Oct, 2003³³

- ◆ "The World Trade Organization (WTO) promotes deregulation and privatization. By enforcing its trade rules, the WTO makes it difficult for nation states to either prevent imports or control exports of capital, goods, and services, including water."

Blue Gold, by Maude Barlow and Tony Clarke, page 165

- ◆ "Under the General Agreement on Tariff and Trade (GATT), water is a tradeable 'good'."

Blue Gold, by Maude Barlow and Tony Clarke, page 167

- ◆ "Under General Agreement on Trade Services (GATS), water is also considered to be a service."

Blue Gold, by Maude Barlow and Tony Clarke, page 167

- ◆ "At risk is the public ownership of water resources, public sector water services, and the authority of governments to regulate corporate activity for environmental, conservation or public health reasons." Canadian trade lawyer Steven Shrubman noted in his March legal opinion on GATS.

Blue Gold, by Maude Barlow and Tony Clarke, page 169

³³ Source: http://www.findarticles.com/cf_dls/m1594/5_14/108149594/print.jhtml



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

- ◆ Suez and Vivendi, “together, they have monopoly control over 70 percent of the existing world water market.”

Blue Gold, by Maude Barlow and Tony Clarke, page 107

- ◆ The WTO prohibits the use of export controls for any ‘good’ for any ‘purpose’.

The Nation, 2/21/2004

- ◆ “A California corporation is suing the Canadian government for \$10.5 billion because the Province of British Columbia banned the commercial export of bulk water.”

The Nation, 2/21/2004

- ◆ Because of National Free Trade Agreements (NAFTA), we are now stakeholders in the national water policy of Canada,” declared Jack Lindsey, CEO of SunBelt Water Incorporated.

Mindfully.org, 3/26/2004

- ◆ Chapter 11 of NAFTA – Allows foreign corporations to sue a country if a government implements legislation that “expropriates” the company’s future profits.

For example, if a country privatized its water services, hired a foreign provider, and then passed laws requiring improved environmental protections or worker safety, the client corporation could argue that the laws were an expropriation of its profits and therefore illegal under the FTAA.

GlobalPolicy.org, 2002

- ◆ “Over pumping of groundwater in many of the world’s important grain-growing regions will be an increasing problem” about 1,000 tons of water are needed to produce a ton of grain.”

‘...as countries press against the limits of available water between now and 2015, the possibility of conflict will increase.’

Central Intelligence Agency Report, December 2000



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Resources:

Suggested Reading

- ◆ Blue Gold, The Fight to Stop the Corporate Theft of the World's Water, by Maude Barlow and Tony Clarke, published by The New Press, 2002, ISBN 1-56584-731-8
- ◆ The World's Water, The Biennial Report of Freshwater Resources 2002-2004, by Peter Gleick, published by Island Press, 2002, ISBN 1-55963-949-0
- ◆ Water Follies, Groundwater Pumping and the fate of America's Fresh Waters by Robert Glennon, published by Island Press, 2002, ISBN 1-55963-223-2
- ◆ whose water is it?, The Unquenchable Thirst of a Water-Hungry World, edited by Bernadette McDonald and Douglas Jehl, published by National Geographic Society, 2003, ISBN 0-7922-6238-7
- ◆ Water Wars, Privatization, Pollution, and Profit, by Vandana Shiva, published by South End Press, 2002, ISBN 0-89608-650-X



H₂💧 for ME

working to increase protection of our fresh water and OUR investment in Maine's economic future

Web Links

Maine Things Considered radio story: <http://www.mainepublicradio.org/asx/040305water.asx>

United States Geologic Survey (USGS) site for water resources in Maine: <http://me.water.usgs.gov/>

Maine Geologic Survey (MGS) Aquifer fact sheet:
<http://www.state.me.us/doc/nrimc/pubedinf/factsht/hydro/hydfact.htm>

MGS Aquifer Mapping and Glacial History:
<http://www.state.me.us/doc/nrimc/pubedinf/factsht/hydro/aquifmap.htm>

Public Broadcasting airing of a POV film called Thirst: <http://www.pbs.org/pov/pov2004/thirst/>
"Thirst" shows that the individual struggles of these communities raise the same profound questions: Is water a human right for all people? Or is it a commodity to be bought, sold, and traded in a global marketplace?

Thirst the movie web site: www.thirstthemovie.com

The Center for Public Integrity - Investigative Journalism in the Public Interest - The Water Barons: <http://www.icij.org/water/>

Water for Profit: how multinationals are taking control of a public resource:
<http://www.cbc.ca/news/features/water/>

Report Details Water Privatization's Benefits and Pitfalls:
http://www.pacinst.org/reports/new_economy_of_water/

Trading Away Our Water: <http://www.thealliancefordemocracy.org/html/eng/2122-AA.shtml>

Bottled Water - what's in a label? CBC News Online:
<http://www.cbc.ca/news/background/consumertips/>

World Water Forum: <http://www.world.water-forum3.com>

The Sierra Club, Corporate Water Privatization: <http://www.sierraclub.org/cac/water/>

International Water Law Project <http://www.internationalwaterlaw.org/>

The World's Water working on a wide range of global freshwater problems and solutions.
<http://www.worldwater.org/>

