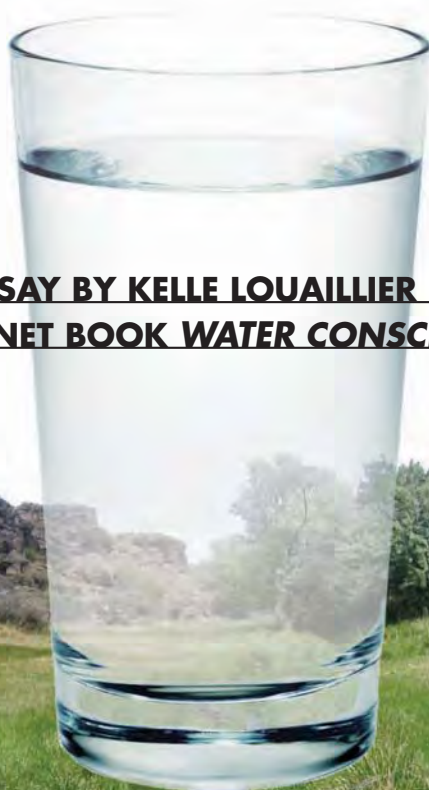


# THINKING OUTSIDE THE BOTTLE



**AN ESSAY BY KELLE LOUAILLIER FROM  
THE ALTERNET BOOK WATER CONSCIOUSNESS**



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 **CORPORATE ACCOUNTABILITY INTERNATIONAL**



# INTRODUCTION

*By Bill McKibben*

The story of our current water crisis is, in many ways, a story like so many others—the story of how the financial interests of the few can trump the basic needs of the many.

The story of how this global crisis is being tackled, however, is anything but typical. And it traces back in part to a crowded university basement office from which the first successful, global boycott of a transnational corporation was launched.

Thirty years ago a small team of human rights activists determined that Nestlé's aggressive marketing of infant formula in low-income countries had to stop. Millions of infants were dying from its use. Mothers either couldn't afford to buy enough of it or the water in their communities wasn't safe enough to use in the formula.

The boycott these activists led was a direct challenge to irresponsible and dangerous corporate actions that threaten people's health and lives.

Thirty years later, it is not surprising that the same organization that led the Nestlé boycott is now a force behind the global movement challenging corporate control of our most essential resource.

Through published work, such as the essay *Thinking Outside the Bottle*, and global action, Corporate Accountability International has encouraged us to look deeper at global warming and water shortage as symptoms of a larger problem. A handful of corporations are operating in conflict with, and without accountability to, our long-term health and well-being.

These corporations may not be the only cause of this current crisis, but follow water from its source, and you'll find they are at the root of the problem.

I remember, for instance, traveling the country north of Beijing and talking to angry people in village after village whose

wells had gone dry. No great mystery why – the huge diesel pumps sucking irrigation water had dropped the water table too far.

Indeed, the fields around us were showing that even farmers were feeling the effects. What would once have been wheat fields were now filled with corn, which can fare a little better with rainfall instead of irrigation. But the total amount of grain that China produces is plateauing – even as America begins to use its great plains to grow gasoline, partly because global warming is calling petroleum into disrepute.

Meanwhile, that same warming was evaporating ever more of the water that was still available for irrigation – say, in Australia, where farmers were abandoning whole agricultural districts because the rain no longer fell, or in Georgia, where Atlanta city officials watched in horror as the reservoirs dropped ever lower – and still the pumps at the Pepsi and Coke bottling plants churned.

The way these kinds of effects twine and intertwine mark the boundaries of human and political potential in this century. If you want to understand foreign policy, for instance, don't spend too much time fretting about ideology or religion. Look at aquifers and oil wells.

If you want to understand what globalizing economy really means, look at the fights over privatization of water.

And if you want the perfect symbol for the high-consumption twenty-first century, look at a plastic bottle of water, fast replacing the SUV as the ultimate metaphor for manufactured demand. To take a product that is freely available to everyone in the West, and to turn it into a commodity, and to burn incredible amounts of energy shipping it around the world, and to create small mountain ranges of empty bottles – that is enough to tell you how crass corporate marketing has become.

The traditional antidote to insipid enchantment, of course, has been a bucket of water over the head. And as this essay shows, water can still play that role. It's the one commonality on this planet that could bring us back together, to unite against the rise





**A young Zambian girl waits in a long line to fill water canisters at a privately owned spigot.**

of sea level, the decline of glaciers, against the end of irrigation and the spread of desert, against privatization

of the one central human necessity and instead advocate for the graceful communion that a glass, a splash, a spray, a wave of water represents.

The world is running dry, largely because corporations are wresting control of a public good and managing it as a commodity for the privileged. There is time, just, to head it off. But only if we begin today. This essay, and the volume from which it is derived, is the place to start.

*Bill McKibben is the award-winning author of the national bestseller Deep Economy, a longtime contributor to a range of magazines including Harper's and Atlantic Monthly, and an internationally renowned speaker. He is currently a scholar in residence at Middlebury College and is a member of Corporate Accountability International.*



# THINKING OUTSIDE THE BOTTLE

*By Kelle Louaillier*

Bart Sipriano lived on his own land—a modest ranch at the end of a dead-end road in East Texas. City water pipes didn’t make their way out that far, but Sipriano had his own source—a 100-year-old well that provided all the water he and his wife needed for drinking, cleaning, and cooking.

At least that’s how it used to be.

Four days after Nestlé began its pumping operation for an Ozarka brand bottled water plant next door, Sipriano awoke to an unwelcome surprise: there was nothing but a drip when he turned on the faucet. Later, peering down his well shaft, he found that his well had been sucked dry.

“I’d been here 20 years, and I never had any problems until Ozarka came out here,” he told a reporter with the *Dallas Observer*.

Sipriano sued Nestlé to restore his well, but the Texas State Supreme court ruled in the corporation’s favor, thanks in part to Texas’ industry-friendly water laws.<sup>1</sup>

**Corporate Accountability**  
International organizers gather  
Think Outside the Bottle pledges at  
a Boston street market.



Today, Sipriano is one of the thousands whose livelihood has been upset by the recent bottled water boom that has targeted rural communities' spring water, profited from municipal tap water, and launched ad campaigns that have undermined people's trust in public water systems.

But his actions challenging the corporate control of water 10 years ago have been a wake-up call for communities across the country. Now there are more resources for communities hoping to fight privatization as citizen groups are banding together, telling their stories, and sharing information. Groups in Michigan, Maine, California, and elsewhere are also linking up with national and international nonprofits to help fend off multinational corporations.

Thirty years ago, few could have foreseen the rapid growth of this boutique industry into a \$100 billion international juggernaut<sup>2</sup> that is threatening public control over humanity's most vital resource. As in much of the industrialized world, strong public water systems have been a cornerstone of national prosperity in the United States. These systems have generally been managed by local governments that are accountable to the public through the democratic process. This has helped assure access to safe and healthy drinking water for almost all Americans regardless of their means.<sup>3</sup>

It was unthinkable just three decades ago that a person would pay a \$1.50 for what they could have free at a water fountain or for virtually nothing at the tap. Drinking water, simply, was a public trust and a basic human right.

But, as Sipriano's experience exemplifies, times have changed.

Today the bottled water industry is a \$15 billion business in the United States alone<sup>4</sup> and its growth has come at a significant environmental and social cost. Currently, three out of four Americans drink bottled water, and one out of five Americans drink only bottled water.<sup>5</sup>

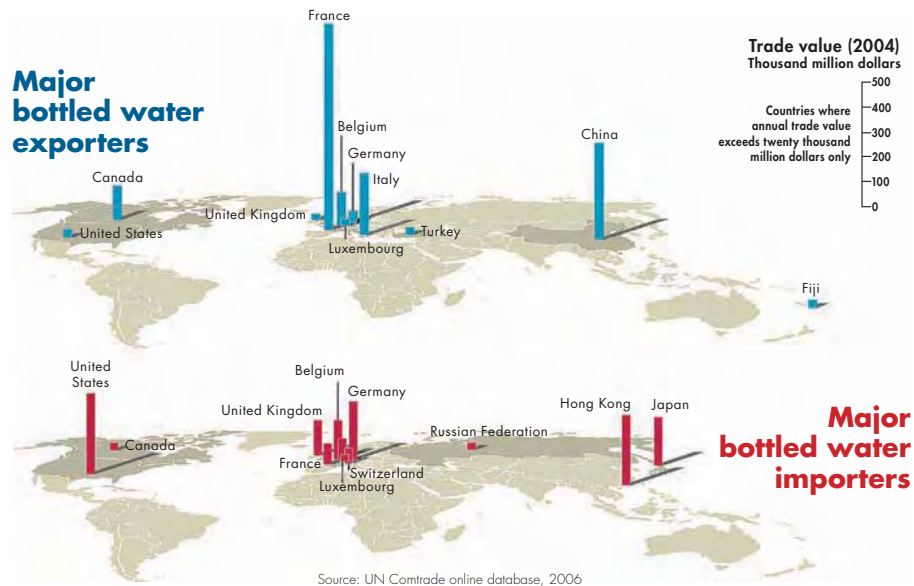
The growth of the market has come at

**Mainers protest Nestlé  
water bottling in Maine.**





## WHICH COUNTRIES ARE LEADERS IN THE GLOBAL BOTTLED WATER MARKET?



the expense of communities from California to Texas to Maine.<sup>6</sup> It has also come at a great expense to the public's confidence in municipal water supplies, which continue to be highly reliable and more regulated than bottled water.

As the bottled water industry has grown, the political will to adequately fund public water systems has diminished. The gap between what these systems need and the capital available to them is more than \$22 billion and growing.<sup>7</sup> And perhaps the biggest challenge to public water systems has been the fact that cities are now spending millions in taxpayer dollars on contracts with bottled water corporations for a resource that they could provide themselves in a more economically and environmentally friendly manner.<sup>8</sup>

The industry has achieved significant inroads, but it hasn't been easy.

Jeff Caso, a former senior vice president with Nestlé, was quoted in *AdAge* in 2003 as saying, "We sell water...so we have

to be clever.”<sup>9</sup> But, in reality, the industry needs to be not just clever, but well-endowed. It has taken tens of millions of dollars in flashy advertising to open up the market.<sup>10</sup> And to create this market, the industry’s largest players, Nestlé, Coke, and Pepsi needed to imply, somehow, that their product was better than what you could get from the tap.

So far, their ad money has paid off. A recent survey in Philadelphia found that 20 percent of residents refuse to drink tap water, even though there doesn’t appear to be any problem with the water itself. The water department has had no health-based violations in at least 10 years.<sup>11</sup> In a Conference of Mayors taste test, the water even ranked 12th among 93 cities.<sup>12</sup>

Unfortunately, attitudes like those in Philadelphia are all too common.

But, the tide is turning. Transnationals may have money to spend on advertising, but they underestimated the lengths that communities will go to in order to keep their water under public control. They also didn’t bank on a huge public outcry in response to the truths about bottled water.

With a combination of education and advocacy, consumers are pulling back the curtain on the bottled water industry. A diverse coalition of public officials, restaurants, faith communities, student groups, and national organizations are “thinking outside the bottle” in an effort to preserve our common values about water for the benefit of generations to come.

More cities and states are moving to limit bottled water waste and require better labeling, and are canceling contracts with bottled water distributors. These actions are happening in large part because of a rapidly growing national movement to opt for tap over bottled water.<sup>13</sup>

But even as public pressure grows, bottled water industry executives are pushing back. In an effort to ensure business growth, they are engineering new niche markets such as infused water and vigorously attaching their products to environmental and social causes in “bluewashing” efforts that are as transparent



as the water they are pushing.<sup>14</sup>

And most importantly, in order to keep the profits rolling in, they need access to as much cheap water as possible. They have two tactics: target rural communities to mine their spring water and use public water systems. The first tactic is the one that Nestlé has worked hard to perfect.

### **Nestlé: Mining Rural America**

In the decade since Nestlé moved in next door to Bart Sipriano, the transnational has built or proposed spring sites or bottling plants in dozens more rural communities across North America, making the corporation the largest water bottler on the continent.<sup>15</sup>

While Nestlé is the largest player in the industry, it is by no means alone. Hundreds of corporations, large and small, are moving to control water formerly held in the public trust.

Why the current rush to profit from water?

Well, for one, water is being given to these corporations practically free, allowing for quick returns and enormous profit margins. The giveaway is caused by a host of problems, from outdated lawmaking (that could not have foreseen the commodification of water) to good old-fashioned backroom politicking.

Nowhere is this more apparent than in the current struggle between the citizens of McCloud, California, and Nestlé.

The economically rebounding former logging town is nestled in the foothills of the Cascades in the shadow of Mount Shasta. The poet Joaquin Miller once described the peak that marks McCloud's place on the map as, "Lonely as God, and white as a winter moon."

What better an image to put on the label of a water bottle? That's what Danone, Coke, and other bottlers must have thought.

Three plants have been built around Mount Shasta since 1990, but it was not until 2003 that Nestlé's designs on the McCloud watershed began to take shape. At a public meeting that



**Mount Shasta looms over a street in McCloud, California, where Nestlé hopes to mine water.**

year, the board governing McCloud's water services approved a 50-year deal under which the corporation agreed to pay the city between \$300,000 and \$400,000 a year to house a million-square-foot bottling facility.<sup>16</sup>

A sweet deal for a town on the mend, right?

Locals didn't think so. The contract had been negotiated behind closed doors with the local water utility and made available to the public just days before the meetings. Requests for longer public review and debate were denied.<sup>17</sup>

What's more, it was revealed that the agreement had the corporation paying just 1/64 of a cent per gallon, which they would then resell at an average price of more than \$1 per gallon. The agreement was set to lock in these bargain prices for the next 50 years, with an automatic 50-year extension.<sup>18</sup>

All of a sudden the math wasn't adding up for residents. They knew that the plan meant a significant impact on health,



**Corporate Accountability**  
International staff and Franciscan  
Federation allies gather outside a  
Nestlé shareholders' meeting.

safety, and local traffic flow, with an estimated 200 to 300 diesel trucks servicing the plant per day.<sup>19</sup>

Judging from the experience of nearby communities, they also could not count on the plant to provide needed jobs. While Nestlé promised 240 new jobs, locals knew better. Other area plants had employed far fewer laborers and had tended to hire out-of-town help.<sup>20</sup>

To add salt to the wound, Nestlé had not even bothered to perform a required environmental review. Citizen groups raised a series of concerns about potential habitat destruction, a decline in the water levels of lakes and streams, and depletion of groundwater wells.<sup>21</sup>

As one citizen group put it, “Nestlé Waters North America has a documented history of draining and letting the community ask questions later.”<sup>22</sup>

Locals began bracing for the inevitability of this outcome,



believing their town officials had been manipulated and rushed into approving an unfavorable contract before the public had the chance to weigh in.

Nestlé's public relations shop conceded to the *Sacramento News and Review* that the corporation had already put \$1.5 million into sealing the deal, with an undisclosed chunk of that going to PR and lobbying.<sup>23</sup>

"People need to wake up and see the contract doesn't give them anything," said Sid Johnson, a ranch caretaker and McCloud resident. "We've got a foreign corporation coming in to buy our water supply for peanuts."<sup>24</sup>

Another local group, Concerned McCloud Citizens, has taken the corporation to court and is continuing to fight the proposal. Their efforts may be paying off. In the spring of 2008, Nestlé announced it was drastically scaling back its plans for the bottling plant and would review its contract with the town.

If the demand for bottled water continues to grow at the current rate, Nestlé and others will likely need to find many more water sources like McCloud in the coming decades. And if history is any indication, they will look first to regions that are

## COMMUNITY GROUPS TAKE ON NESTLÉ

**Defending Water for Life in Maine** is a project of the Alliance for Democracy and is involved with the fight against a Poland Spring/Nestlé bottling plant in Fryeburg, Maine. Learn more about their work at [DefendingWaterInMaine.org](http://DefendingWaterInMaine.org).

**Michigan Citizens for Water Conservation** is working to protect Michigan's water, including Mecosta County where they have been fighting Perrier/Nestlé since 2000. Learn more about their work at [SaveMIWater.org](http://SaveMIWater.org).

**McCloud Watershed Council** in Northern California has been fighting the sale of its water to Nestlé in 2003. Learn more about their work at [McCloudWatershedCouncil.org](http://McCloudWatershedCouncil.org).

struggling economically and are politically vulnerable.

As is the case with so many extractive industries, the bulk of the profits will be made elsewhere, while local communities are left to deal with the externalized costs. For some, like those in McCloud, it is still possible to prevent a potentially devastating corporate water grab. For others, like Sipriano, the damage has already been done.

### **Coke and Pepsi Take On the Tap**

While Nestlé has focused on mining rural water sources, Pepsi and Coke have taken a different approach. In the early 1980s, Pepsi developed a clever marketing device to challenge Coke's share of the soft drink market—a blind taste test called the Pepsi Challenge.<sup>25</sup>

Twenty years later the two leaders of the soft drink market are still squaring off—this time over their bottled water brands Dasani (Coke) and Aquafina (Pepsi). And just as each is working to corner the growing market, consumers are poking holes in the advertising used to make these brands the most popular bottled water in North America.

Stealing a page from the Pepsi Challenge, consumers across the country have been setting up card tables, dixie cups, and blindfolds to perform their own Tap Water Challenges. Passersby take a sip of Dasani, Aquafina, and tap water, and are asked if they can tell the difference.

What is most surprising about the results is that for the amount each corporation spends talking about enhanced taste and special filtering, the majority of test participants can't tell the difference. Straw polls conducted by news organizations have found similar results. In a November 2007 poll by CBS News in Chicago, two-thirds of the participants preferred tap to the bottled brand names or couldn't tell which was which.<sup>26</sup>

One reason for this might be that up to 40 percent of bottled water, including Aquafina and Dasani, in fact comes

**Judy Wicks, owner of Philadelphia's popular White Dog Café, takes the Tap Water Challenge.**





# TOP FIVE MYTHS ABOUT BOTTLED WATER

## Myths

**Bottling plants are beneficial for communities**

**Bottled water tastes better**

**Bottled water is inexpensive**

**Bottled water is cleaner and safer than tap water**

**Bottled water doesn't negatively impact the environment**

## Realities

- Groundwater levels have dropped by as much as 40 feet in Mehdiganj, India, home to a Coca-Cola bottling facility
- In Gandhre, India, Coke has drawn water for its factory operations that could have otherwise served 75,000 villagers a day

- A November 2007 poll by CBS News in Chicago found that two-thirds of the participants preferred tap to the bottled brand names or couldn't tell which was which

- Bottled water costs hundreds or thousands of times more than tap water

- The Food and Drug Administration regulates only 30 to 40 percent of bottled water sold across state lines
- Plastic bottles can leach chemicals into the water
- A 1999 survey of more than 1,000 spring and publicly sourced bottled water brands found that some violated state standards on bacterial contamination, and others were found to contain harmful chemicals such as arsenic

- U.S. plastic bottle production requires more than 17 million barrels of oil, enough to fuel 1 million cars
- About 86 percent of the empty plastic water bottles in the United States are not recycled

from the same source as tap water<sup>27</sup>—the same source, interestingly enough, that these corporations have cast doubts upon in order to build a market for their brands.

In a 2007 poll conducted by the University of Arkansas, researchers found that young people were overwhelmingly choosing bottled water over tap water, because they felt it was somehow cleaner.<sup>28</sup> To figure out how such an impression was formed, one needs to look no further than bottled water labels.

In order to market water back to consumers at hundreds, even thousands, of times the cost,<sup>29</sup> Coke and Pepsi have attempted to differentiate their brands both from each other and good, old-fashioned tap water.

Dasani labels claim its “crisp, fresh taste” is a result of a “state-of-the-art purification system.” It is labeled simply as “purified water,” with no reference to its municipal source.<sup>30</sup>

Aquafina claims, “All bottled waters are not the same. Aquafina’s state-of-the-art HyDRO-7 purification system consistently removes substances most other bottled waters leave in.”<sup>31</sup>

Like Dasani, Aquafina promises “purified drinking water” and the words “pure water” appear three times on its label.<sup>32</sup> Unlike Dasani, Aquafina employs an image of snow-capped peaks, suggesting the source may be somewhere other than a city’s water system.

These marketing strategies seem like an indictment of public water. After all, why would consumers buy something for \$1.50 when they could have virtually the same thing for next to nothing? What does the emphasis on “state-of-the-art purification” imply about the adequacy of tap water treatment? Why have these corporations been so reluctant to tell consumers that their product comes from city water systems?

Coke, for one, does not believe its marketing of bottled water is at all misleading and responds to consumer concerns about Dasani by stating, “Bottled water is not produced by our system to usurp the need for potable water in public water systems.”<sup>33</sup>

But the marketing tells a different story.

These corporations offer minimal proof that all this “advanced” processing actually results in a product that is better than tap. Consumer groups have demanded they fully disclose the health and safety information of their products, but the corporations have refused.

Why?

Much of the answer may lie in how differently bottled and tap water are regulated. Both are evaluated using similar standards, but tap water is tested far more frequently and has more independent oversight by state and federal environmental authorities (like the U.S. Environmental Protection Agency and the Department of Environmental Protection). Lacking adequate capacity to regulate bottled water through the U.S. Food and Drug Administration, the government relies on bottled water corporations to police themselves,<sup>34</sup> which in some cases has resulted in bottled water contaminations that were concealed for weeks before the public was ever warned.<sup>35</sup>

Most importantly, public water systems are required to make health and safety information available to the public. Bottled water corporations are not, though you’d think it’d be in their interest to do so. Especially since their marketing relies on distinguishing what’s in the bottle from what’s in the tap.

Are these corporations hiding something about the quality of their water? Are they cutting corners when it comes to purification? Are they covering up for the fact that their product is no different and sometimes might be of lower quality than tap water.

There are reasons for consumers to be concerned. For example, in 2004 Coke was forced to recall more than half a million Dasani bottles in the United Kingdom after finding samples that contained higher than permitted levels of the chemical bromate. As it turns out, Coke’s “state-of-the-art” purification systems can in fact cause this chemical to form.

In a 1999 survey of more than 1,000 spring and publicly sourced bottled water brands, the Natural Resources Defense





**Indian schoolchildren protest  
Coke's bottling practices.**

Council came up with some disturbing results. While most brands were safe, some violated state standards on bacterial contamination, and others were found to contain harmful chemicals such as arsenic.<sup>36</sup>

These water safety lapses raise an even bigger question: Who are we allowing to control this essential resource and why?

In India, Coke has made immense profits at a tremendous human cost as a result of pumping groundwater to make everything from soda to Dasani.

Not far from the holiest of Hindu cities, along the Ganges River, is the village of Mehdiganj. And though water is the daily object of worship along this great Indian river, in this nearby village, it is a source of despair.<sup>37</sup>

Mehdiganj's latest neighbor is one of Coke's more than

# HOW TO THINK OUTSIDE THE BOTTLE



## **Individual Action**

Thousands are visiting [www.ThinkOutsideTheBottle.org](http://www.ThinkOutsideTheBottle.org) and related websites to educate themselves about the harm of bottled water, taking actions that include pledging to choose tap over bottled water. People are increasingly using reusable water bottles and cutting bottled water out of their personal budgets.

## **Community Action**

Members of faith communities, student groups, local organizations, and social clubs are using resources from Think Outside the Bottle to organize workshops, pledge drives, and visibility events.

## **Campus Action**

Students are calling on administrators to cut spending on bottled water, get rid of bottled water vending machines, and fix drinking fountains.

## **City/Regional Action**

Mayors and local officials from New York City to San Francisco are responding to community actions by halting city spending on bottled water, committing increased resources to city water systems, and/or launching citywide education efforts to restore confidence in the tap, such as Salt Lake City's Knock Out the Bottle campaign.

## **National Action**

A groundswell is beginning that calls for a national commitment to better fund public water systems and to keep water resources under public control.