

December 19, 2011

Dear IBWA Member:

As Chairman of IBWA, I'm writing to thank you for your involvement in IBWA in 2011 and to ask you to renew your IBWA membership for 2012. Your past support of the association, through your dues dollars and active participation, have helped IBWA continue to be a very effective advocate for all bottled water companies – bottlers, suppliers and distributors. We realize that the uncertain U.S. economy has impacted your business in 2011 and we appreciate your continued commitment to IBWA and the bottled water industry.

As a result of your support, IBWA was able to accomplish much in 2011. For example, IBWA once again worked hard to highlight bottled water's stringent state and federal regulations, our members' environmental sustainability efforts, and the safety of all plastic bottled water containers.

Without question, the most significant congressional development this year for the bottled water industry was the enactment of the Food Safety Modernization Act (FSMA), which President Obama signed into law in January. The legislation, which represents the most significant expansion of the U.S. Food and Drug Administration (FDA) oversight of our nation's food supply since the original Pure Food and Drug Act of 1906, contains four main areas of focus:

- **More frequent FDA inspections.**
- **Mandatory recalls.**
- **Hazard analysis and identification of preventive controls.**
- **Records maintenance and access.**

Lots will be happening in 2012 on this issue. IBWA is reviewing and commenting on the various aspects of FSMA implementation and compliance. We are also preparing support documents to assist IBWA members with implementation of various aspects of FSMA as final rules and regulations are promulgated by FDA. In addition, IBWA is monitoring congressional oversight of FSMA implementation and is actively advocating for stronger FSMA appropriations funding by working as a member of the Alliance for a Stronger FDA. We are also working with IBWA members to carry those funding messages directly to members of Congress during Capitol Hill visits, in-district meetings, and plant tours.

Provided below are some of the numerous ways IBWA has been working on your behalf in the government relations, environmental sustainability, communications, technical, and education arenas. IBWA has:

Government Relations

- IBWA monitored nearly 500 pieces of legislation and more than 660 regulations throughout the 50 states during 2011. A major focus in the states continued to be on proposed BPA restrictions, recycling, and bottled water taxes. In 2011 we offered oral and written testimony/comments on proposed legislation and regulations in nearly 20 states.
- In terms of federal legislation, IBWA monitored and commented on bills that dealt with a proposed ban on BPA in food containers, new energy efficiency standards for water coolers, increased interstate gross vehicle weight limits for certain trucks, codification of state corporate income taxes and comparable business activity taxes, and water infrastructure.
- In 2011, IBWA worked on several federal regulatory issues (in addition to FSMA) that would have impacted the bottled water industry. Those efforts gave us multiple opportunities to promote the bottled water industry and provide regulators with the facts about our products. Efforts included submitting comments to FDA on proposed nutrition labeling requirements for products sold in vending machines, comments to the Federal Trade Commission (FTC) on proposed voluntary guidelines for marketing food to children, comments to the National Labor Relations Board (NLRB) on onerous proposed employment place and union election rules, comments to the National Park Service (NPS) on proposed bottled water sales restrictions, and comments to the U.S. Department of Agriculture (USDA) on school nutrition standards.
- The IBWA Political Action Committee (IBWA PAC) exceeded its initial (and modest) fundraising goals in 2010, and all 18 of the Congressional candidates we supported in 2010 won their elections. IBWA set even more ambitious fundraising goals leading up to the 2012 elections, and will continue to contribute to candidates who support the Bottled Water industry.

Communications

- IBWA continued to serve as the media's "go-to" source for comprehensive information about bottled water and effectively positioned the online bottled water discussion using public internet tools with expanded communications outreach through use of IBWA websites, You Tube videos, Twitter, Facebook and other social media.
- We provided accurate information about bottled water to combat false claims from the media and environmental activists. For example, IBWA successfully fought for a correction to the factually incorrect bottled water story on the popular, nationally syndicated "Dr. Oz" television show and corrected *Consumer Reports* on a flawed article it published on bottled water

- IBWA has actively developed and utilized its social media presence with nearly 6,500 friends on Facebook and through our three Twitter accounts we collectively have more than 3,500 followers. IBWA's YouTube channel, where we showcase 24 in-house created videos ranging from educational to humorous, boasts 90,000 unique visitors to date.
- We continued to provide members with up-to-date information about the bottled water industry through the weekly e-newsletter, *News Splash*, bi-monthly magazine, *Bottled Water Reporter* and as- needed bulletins.

Technical and Education

- IBWA continued to be an active leader by putting technical and scientific expertise to work for the industry. We have staff that can analyze and impact technical portions of FDA regulations, and can also assist members with understanding and interpreting regulations, and educate regulators on our industry's operations to help assure fair and sensible regulation of the industry. From routine information requests from the public and members to assistance with technical regulations, IBWA's staff is available to help.
- In September 2011, IBWA met with the FDA Center for Food Safety and Applied Nutrition management and staff about issues of vital importance to the industry, including BPA, the Food Safety Modernization Act, perchlorate, hexavalent chromium, FDA funding, and consumer confidence legislation.
- IBWA formed a new joint subcommittee to oversee implementation of the Food Safety Modernization Act in the bottled water industry. This group will prepare comments on FDA's regulatory actions and proposed FSMA rules, and meet with FDA and other trade associations on this important issue.
- IBWA's Joint Subcommittee on Packaging is examining advances in rPET integrity, the use of biodegradable additives, and associated waste stream influence.

Regardless of your company's role in the production and sale of bottled water, the many issues facing our industry can negatively impact your business. IBWA members, staff, and consultants along with our allies in the industry, will continue to work hard to represent the bottled water industry with facts and truth. We are committed to challenging the attacks, regulations and proposals that characterize bottled water unfavorably and/or would have a negative financial impact on our member companies. The enclosed 2011 IBWA Annual Progress Report provides further details on the many activities and accomplishments of your association during the past year with full details available in the enclosed report.

We need your help. **Please renew your membership today.** By renewing your IBWA membership, you will help to ensure that IBWA can continue to aggressively defend the bottled water industry against all negative proposals (many of which were listed earlier in this letter) and proactively communicate the facts about our products to the media, government officials, activist groups and others.

As you complete your dues renewal form and calculate your dues, please take time to consider what is in store for our industry in 2012 and the magnitude of the response needed to effectively challenge the increased scrutiny and criticism of bottled water. Consider the tools and resources provided by the Association, which contribute to your ability to successfully operate your business and assist you in producing a quality product, meeting new regulations and requirements, and avoiding unnecessary and burdensome laws and regulations that would negatively impact your company. The return on investment for your dues dollars is significant when compared to the financial and other resources you would need to achieve the same results by yourself. I urge you to invest in your business and the industry by renewing your membership for 2012.

I am very proud to be part of the bottled water industry and I know you are too, and I'm very excited about the future of IBWA and the many opportunities available to the bottled water industry. Thank you for your support of IBWA. I welcome your comments anytime.

Sincerely,

A handwritten signature in black ink that reads "Philippe Caradec". The signature is written in a cursive, flowing style.

Philippe Caradec
Danone Waters of America, Inc.

Enclosures:

2012 Dues Form

2012 Bottled Water Plant Inspection Packet (Bottlers and Candidate Bottlers only)

2011 IBWA Annual Progress Report

Drinking Water Research Foundation Flyer

Kristin Safran Scholarship Flier

IBWA Why A PAC