

**May 5, 2009**

## **Proposed \$7 Million Tax on Poland Spring Threatens 800 Good Maine Jobs**

### **Diverse coalition joins to oppose LD 237**

**AUGUSTA-** Today, Poland Spring Water Company was joined by a large and diverse coalition of employees, friends, and Maine business leaders opposed to LD 237. The group gathered at a press conference preceding the LD 237 public hearing before the Legislature's Joint Standing Committee on Taxation. If passed, LD 237, *An Act to Impose and Excise Tax on the Extraction of Water for Bottling*, would levy a \$7 million tax on Poland Spring, while effectively providing an exemption to Poland Spring's out of state competitors, Coke's Dasani and Pepsi's Aquafina.

"There is no doubt that this tax would threaten Poland Spring jobs and investment in Maine," said Bill Maples, Northeast Operations Director for Poland Spring Water Company "We employ 800 people across the state of Maine and we have invested \$439 million in capital since 1992. We want to continue to create new jobs and increase our investment in Maine and this tax would force us to cut back."

Poland Spring employees 800 people from 125 communities in Maine. The average hourly wage is more than \$20 for jobs at Poland Spring as well as a robust benefits package that includes medical, dental and vision coverage, 401k, tuition reimbursement, profit sharing, as well as paid sick, vacation and holidays.

At the press conference, Maples said that a new \$7 million dollar tax would have significant negative consequences that would be multiplied in this current economic recession. "The \$7 million tax represents nearly 20% percent of our annual Maine payroll. It is the cost of a half year's worth of electricity at our Hollis plant."

Other coalition partners spoke out against LD 237 because of the negative economic ripple effect the tax would have on other Maine businesses, organizations and projects beyond Poland Spring.

Dana Connors, President of the Maine State Chamber of Commerce, is also opposed to LD 237. Connors said “While other companies have significantly curtailed operations, laid off workers, or even folded in this difficult economy, Poland Spring has continued to create good jobs for Mainers and they want to continue investing in Maine. This tax puts their ability to remain competitive at risk. Bills like LD 237 are irresponsible in today’s economy because they put jobs and economic opportunities for our state at risk.”

“This tax not only threatens Poland Spring jobs and investment, it would also reduce economic opportunities for other Maine companies with which we do business,” added Maples.

Ricky Hughes, National Account Executive for Hartt Transportation Inc, a family-owned business in Bangor, spoke at the press conference to show how widespread the bill’s effects would be. 150 of Hartt’s 500 employees drive trucks exclusively for Poland Spring, transporting bottled water to markets across the Northeast. Hughes said “Very simply, these jobs wouldn’t exist if it weren’t for Poland Spring, and I don’t know how we’d replace them if something happened to Poland Spring. But it’s not just those of us at Hartt who would be affected.”

Hughes described how Hartt has made over \$32 million in capital investments to service the Poland Spring account, including buying over 145 trucks and trailers, all of which were purchased from other Maine companies. From the dealerships to the fuel stations to the tire suppliers, hundreds of Mainers have benefited from Hartt’s partnership with Poland Spring. “Hartt Transportation represents just a fraction of the revenue Maine vendors receive from Poland Spring. That total is over \$65 million.”

John Mattor, also attended the press conference and spoke in opposition to LD 237 representing the Indian Cellar Preservation Project in Hollis. Mattor said he was concerned about the effect of the new tax and spoke for many

other philanthropic and community projects statewide that have benefited from Poland Spring's investments and contributions. This year, Poland Spring donated \$150,000 to the Indian Cellar Preservation Project in Hollis to help permanently conserve the 58 acres of land near its Hollis bottling facility known as Indian Cellar.

“A \$7 million tax on Poland Spring will undoubtedly impact charitable donations,” Mattor said. “In addition to the economic damage it would do the company, I have serious questions about the impact it would have on projects like Indian Cellar. I hope the Taxation Committee will take that into consideration when they decide on this tax.”

“Poland Spring was founded in Maine over 160 years ago and we have a very long track record of creating good jobs, investing in communities and producing a high quality product for consumers. It is our hope that legislators will vote against LD 237 and other legislation that will curtail our long tradition of job creation and investment in Maine,” concluded Maples.