

# THE BEVERAGE INDUSTRY: A Full Business Partner With Virginia



When most Virginians think of non-alcoholic beverages, they think of famous brands and favorite flavors, but the beverage industry in Virginia is much more than that. We are over 4,000 people directly involved in the production and distribution of a wide variety of beverages, including soft drinks, enhanced waters, juices, sports drinks, teas, low-calorie and caffeine-free refreshments. There are thousands of people in support businesses. We are a Virginia industry that pays almost \$500 million in federal and state taxes—one that is proud of our \$11.4 million in contributions to needy charities on an annualized basis. We are proud of our people who dedicate thousands of hours each year to make our communities good, safe places to live. The beverage industry in Virginia consists of many ingredients important to our economic health and social wellbeing. That is part of the refreshing message we are proud to bring you.



# ISSUES OF CONCERN

## FORCED DEPOSIT TAXES:

Virginia does not force her citizens to pay refundable deposits on beverage containers and should continue to resist the idea. In other states, this system has created more problems than it has solved with consumers picking up the tab for an inefficient waste disposal system. As a better alternative, Virginia's beverage industry contributes excise taxes that are collected under a special litter control and recycling tax used to promote cleanups and recycling.

The over \$1.8 million in grants provided to localities over the last fiscal year produced more than \$8.1 million in matching funds and services—all used to collect litter, promote recycling, and educate Virginians about keeping our state clean. The return on investment when volunteer hours and other factors were considered was almost **822%**. Voluntary recycling of glass, aluminum, and other package materials is now well established.

**The VBA supports 2009 legislation that would send 95% of these funds back to local litter and recycling programs.**

## CLEANER ENVIRONMENT:

Members of the VBA have a longstanding commitment to a cleaner environment. Our members are constantly working to further lessen their environmental impact:

- **Water usage:** VBA members are efficient water users and account for **only a small portion of overall water usage**—just one out of every 3300 gallons withdrawn from ground or surface water sources;
- **Beverage containers:** Our beverage containers are **100% recyclable** and are among the most recycled consumer packaging in the nation. The beverage industry is a founding member of the National Recycling Partnership along with the U.S. Protection Agency and other beverage and food groups.

## SCHOOL BEVERAGE GUIDELINES:

The VBA has endorsed the National School Beverage Guidelines. These guidelines were developed by the beverage industry working with the Alliance for a Healthy Generation, a joint venture of the American Heart Association and the William J. Clinton Foundation.

The school beverage guidelines offer balance:

- Bottled water
- Low-fat and non-fat milk
- 100% juice with no added sweeteners
- Diet sodas and low-calorie teas and sport drinks in high schools only

The beverage industry has committed to **cut calories in schools** over the next three years. Through the first year, the consumption of **41% fewer** beverage calories in schools has been reported.

## INITIATIVE AND REFERENDUM:

Virginia's business community, including the beverage industry, is strongly opposed to the introduction of the Initiative and Referendum process in Virginia. America's founders intentionally created a republic governed by elected representatives to prevent the excesses of pure democracy. In the states where direct legislation by referendum is common, the result is often voter confusion and cynicism.

Special interest groups with the deepest pockets and the slickest advertising often win. Once the dust settles, if the voters have been lied to, who is held accountable? No one. In Virginia, the General Assembly is accountable.

**Virginia's beverage industry joins in the opposition to initiative and referendum knowing that our industry could be a target for many of the initiatives.**

## THE DILLON RULE:

Like many Virginia businesses, **Virginia's beverage distributors are strong supporters of the Dillon Rule**, which limits local government authority to those powers especially granted by the General Assembly. The last thing Virginians need is a patchwork of local regulations and taxing schemes that could provide roadblocks to doing business in the Commonwealth.

