

TALKING POINTS – Jim Abrahamson 01/28/10

- Thank you Madam Chair Smith for the opportunity to briefly speak to you about the importance of water to the business community.
- As Chairwoman Smith indicated, I am Jim Abrahamson, President of the Americas, for InterContinental Hotel Group, also known as IHG, based here in Atlanta.
- In addition to our InterContinental brand, our other hotel brands include Holiday Inn, Holiday Inn Express, Crowne Plaza, Staybridge Suites, Candlewood Suites, and Hotel Indigo. We have over 3,300 hotels and resorts in the Americas and 110 hotels in Georgia. In Georgia alone we represent over 350 small business franchise owners and together our headquarters and hotel system employs nearly 5000 people in our State. We have nearly 50 hotels in our Georgia pipeline which will create an additional 1400 jobs once they are built.
- Even though we are a large, global company, we still think locally as Atlanta is home to our Americas headquarters. We take corporate responsibility and our commitment to the environment and our community very seriously. It's important to our business, guests, employees, and partners.
- For us, water is critical to business. Our guests use it, our restaurants need it, and we need to have a healthy growing state where people travel and businesses grow. The economic value of hundreds of millions of dollars generated by business travel, conventions and tourism is the critical lifeblood of the state and local communities who depend heavily on visitor's dollars and the taxes generated.
- I also serve as the 2010 Chair of the Metro Atlanta Chamber's Environmental Policy and Sustainability Committee --- following behind the great leadership of John Brock with Coca-Cola Enterprises, who also served as a Co-Chair for the Governor's Water Contingency Planning Task Force.
- The work of the Task Force was extremely time-sensitive and was an important first step in resolving our water crisis.

- The Governor convened the task force, which consisted of business leaders, community organizations, regional water council chairs, environmental organizations and local and state government – and **the Governor emphasized his need for the best business minds to strategically review the facts and develop an action plan.**
- He charged the task force to:
 - *Analyze the situation the way you would a threat to your business*
 - *Consider the costs and benefits of proposals that can close the water supply gap Judge Magnuson's order would create*
 - *Prioritize those proposals*
 - *Make any recommendations, if needed, for statutory change*
- It is important to understand how the Task Force developed a set of prioritized solutions:
 - In the **first** step, the full set of potential measures was collected from previously considered options in Georgia planning; solutions and options considered by other regions; and, input from taskforce members and key stakeholders.
 - The **second** step involved estimating high-level costs and water savings impacts.
 - The **last** step focused on prioritizing cost-effective options --- considering the yield, the cost per gallon, *the timing of impacts, the ease of implementation and stakeholder sensitivities.*
- Coming out of this were a couple types of recommendations:
- The Task Force identified a set of "no regret moves" – things we can and should do, regardless of the recent ruling and reauthorization.
- We identified a set of "contingency options"- options that yield water savings, but at a higher cost per gallon rate than might make economic sense today.
 - Some of these options we'd likely pursue, while some might make sense only if the alternative were truly a massive supply shortfall.

- As you will hear from Commissioner Clark, the final recommendations were delivered to the Governor in three “buckets” – CONSERVE, CAPTURE AND CONTROL.
- In closing, the business community is engaged and remains vitally concerned about this pivotal moment in our state’s history.
- We firmly believe this crisis can be dealt with, but it will take bold leadership and aggressive action. The task force has recommended specific steps to the Governor, but our work is not over.
- We will continue to work with the Governor and elected officials as these recommendations make their way through the legislative process.
- The business community understands that there is not a single magic solution. Instead, again, we must focus on solutions that address the 3 C’s – conserve, capture and control.
- But it is important for people to understand that even after doing everything we recommend, we cannot close the gap between the water we have and the water we need by the three-year judge’s deadline.
- **Lake Lanier is still the most cost-effective and environmentally friendly option, and must be part of the solution.**
- In addition, no matter what happens in the courts or Congress regarding Lake Lanier --- we still must find other water options because we are growing so quickly.
- While current supply levels from Lanier are adequate for our current needs, we know we will outgrow them in the future. So even if Lake Lanier is reauthorized for drinking water, we have to recognize that at a foreseeable point in the future, additional water supplies will still be needed.
- **So while we think Lake Lanier is an important part of the solution, it’s not the whole solution under any scenario long-term. We must execute the conserve, capture and control strategy to keep up with growth.**

- **Finally -- and if I can leave one message behind -- Doing nothing is not an option.** This issue will affect Georgia for decades to come.
- The analysis by the Task Force shows that metro Atlanta alone would take a ***\$26 billion*** hit to its economy every year if we do nothing, and that will ripple throughout Georgia.
- We cannot allow that to happen.
- Thank you again for allowing myself and Tim Lowe to address you regarding this pivotal issue we face.