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Abstract: Extracting Groundwater Rents in Vermont

This dissertation examines the level of Vermont citizen interest in the concept of charging groundwater royalties. The State of Vermont declared groundwater a public trust resource in 2008. In 2009, bottled water companies removed 99 million gallons of Vermont's groundwater without compensating the state of Vermont. The state legislature is debating charging an extraction fee for those removing water for containerized resale. Using comprehensive randomized telephone polling data (the Vermonter Poll), I will establish baseline data about the extent of citizen agreement that groundwater is in fact a public trust resource. A double hurdle model will then be utilized to determine the level of Vermont citizen support for charging an extraction fee on water, and in the case of charging a fee, what level of fee would be appropriate. Proposed fee levels will be taken from actual proposed legislation, ranging from no fee to \$1.28 per gallon. I conclude that a majority of Vermont citizens consider groundwater to be a public trust resource, and that citizen support exists for an extraction fee for those financially benefitting from the use of groundwater.