



February 24, 2016

The Honorable Adam Gray
California State Assembly
State Capitol
Sacramento, CA 95814

Re: **AB 2576, Greenhouse Gas Reductions, Glass Container Manufacturing – Support**

Dear Assemblyman Gray:

The Glass Packaging Institute is proud to sponsor and support AB 2576, which would appropriate \$20 million from the Greenhouse Gas Reduction Program to California-based glass container manufacturers for the use of California-sourced recycled glass (cullet). The amount of funds to a glass manufacturer would be based on a per ton basis of cullet used in manufacturing.

There is a particularly strong case that the glass container manufacturing industry merits a fair portion of auction revenues, as the industry uniquely fits the requirements of AB 32 and the funding categories of AB 1532 and SB 535. For every six tons of cullet used, there is a corresponding reduction of one-ton of carbon dioxide from glass container manufacturing plants, as well as a comparable upstream emissions reduction from not mining and processing virgin inputs. However, the high cost and poor quality of cullet in California makes the use of virgin material by glass plants a necessity. AB 2576 will encourage the use of more cullet and help improve the marketplace for high quality cullet.

Second, glass container manufacturing is identified by the California Air Resources Board (CARB) as an energy-intensive, trade-exposed industry. AB 32 requires the state to guard against leakage of emissions to other states and countries by energy intensive industries. AB 2576, by encouraging more in-state, lower-emission manufacturing, is a policy that will minimize emissions leakage.

Finally, the glass container manufacturing plants in California compete in a world-wide commodity marketplace, employ thousands of union workers in areas identified by the state as disadvantaged, and are targeted for investment through cap and trade. AB 2576 will help keep these high-wage jobs in communities that most need the sustained economic activity these jobs provide.

We look forward to working with you on AB 2576 and any associated state budget deliberations related to Cap and Trade spending.

Sincerely,

Lynn M. Bragg
President
Glass Packaging Institute