



June 22, 2017

The Honorable Rob Bishop
Chairman
House Committee on Natural Resources
1324 Longworth House Office Building
Washington, DC 20515

Re: In Support of H.R. 1399, the American Soda Ash Competitiveness Act

Dear Chairman Bishop:

On behalf of the Glass Packaging Institute (GPI), I write to express strong support for H.R. 1399, the "American Soda Ash Competitiveness Act", which your Committee will consider at mark-up later this afternoon.

GPI is the North American trade association for the glass container manufacturers, suppliers of raw materials, equipment and transport to the industry. The industry supplies America's leading beverage brands, and directly employs 18,000 Americans in glass container manufacturing and related industries. Soda ash is a critical manufacturing input for the 27 billion glass bottles and jars produced domestically each year. Its use in glass container manufacturing plants lowers melt temperatures at the furnaces, increasing energy efficiency and reducing greenhouse gas emissions at the plants.

The legislation would temporarily reduce the federal royalty rate the industry pays for soda ash mined on federal land from 6% to 2% for 5 years.

China, who produces synthetic soda ash, is the primary competitor to the U.S. China currently provides their companies with a rebate on 9% of the 17% VAT, which equates to roughly \$35 million annually in subsidies.

The VAT rebate, combined with currency manipulation and devaluation currently ongoing in China, allows for Chinese companies to have about a \$30 per ton price advantage over U.S. companies in the global marketplace.

U.S. manufacturers need the royalty rate reduction to be able to compete in the global marketplace and avoid market share loss, which could have an impact on the domestic supply chain and its customers. A temporary reduction in the royalty rate paid by US producers would help to offset these unfair advantages, and support American jobs at the same time.

Regards,

A handwritten signature in black ink that reads "Lynn M. Bragg". The signature is written in a cursive style.

Lynn M. Bragg
President