



February 5, 2019

The Honorable Cory Gardner
354 Russell Senate Office Building
Washington, DC 20510

Re: Support for a Temporary Reduction of the Soda Ash Royalty Rate – Public Lands Bill

Dear Senator Gardner:

On behalf of the Glass Packaging Institute (GPI), I am writing to express our strong support for a 1 year reduction of the soda ash royalty rate (from 6 to 4 percent), paid by our domestic soda ash partner companies. The Senate may consider an amendment outlining this reduction during consideration of the Public Lands package this week. We appreciate your ongoing support for this issue, and co-sponsorship of previous legislation to reduce this rate.

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 16,000 Americans in glass container manufacturing and related industries. **These operations include glass container manufacturing plants in Windsor and Wheat Ridge collectively employing about 250 constituents in high-paying, benefits-provided careers.**

Soda ash is a critical manufacturing input for the 27 billion glass bottles and jars produced each year. Its use in glass container manufacturing plants lowers melt temperatures at the furnaces, increases energy efficiency and reduces greenhouse gas emissions at the plants.

Leveling the Playing Field for US Soda Ash Producers

Chinese soda ash companies are the primary competitor to the US soda ash producers. China's government currently provides their soda ash companies with a rebate on 9% of the 17% VAT, which equates to roughly \$35 million annually in subsidies. The VAT rebate, combined with varying currency valuations, allows for Chinese companies to have about a \$30 per ton price advantage over U.S. companies in the global marketplace. In addition, Chinese soda ash production is synthetic, and results in a greater energy intensive process, producing higher levels of greenhouse gas emissions.

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. Thank you for considering our request.

Regards,

Joe

Joseph J. Cattaneo
Executive Director