



September 29, 2015

The Honorable John Barrasso
Chairman
Subcommittee on Public Lands, Forests, and Mining
US Senate Committee on Energy and Natural Resources
304 Dirksen Senate Office Building
Washington, DC 20510

Testimony in Support of Senate Bill 2031

Dear Senator Barrasso:

On behalf of the Glass Packaging Institute (GPI), I am offering the following testimony in strong support of S. 2031, the American Soda Ash Competitiveness Act.

GPI is the North American trade association for glass container manufacturers and suppliers of materials to our industry, which includes our soda ash partners. **Soda ash is a key and necessary ingredient in the glass container manufacturing process, and is used daily in the country's 46 glass container plants to produce new food and beverage bottles and jars.**

For background, in 2006, Congress passed the Soda Ash Royalty Reduction Act (SAARA), which temporarily reduced the royalties collected on soda ash by the federal government from 6% to 2%. This was done in response to Chinese manufacturing of artificial soda ash. China's heavily subsidized manufacturing program has made it the largest producer of soda ash in the world.

The royalty reduction was meant to keep U.S. producers competitive and to ensure that the domestic soda ash production capability was maintained. SAARA expired in 2011, returning the royalty rate to 6%. This was later reduced to 4% in 2013, where it stands today. It is scheduled to return to 6% in October 2015.

The previous reduction in royalties turned out to have little impact on the federal budget, due to increases in soda ash production. Between 2002 and 2005 when the royalty rate was at 6%, federal royalties totaled \$76 million. Between 2007 and 2010, the 2% royalty raised \$74 million.

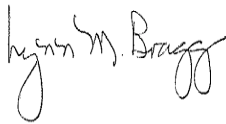
Despite this, the American soda ash industry has continued to lose ground to China, with American production dropping from 28% of world production in 2003 to less than 22% today.

The American Soda Ash Competitiveness Act would return the royalty to a 2% rate for 5 years. This would give the industry time to continue growing, protecting thousands of good-paying jobs. This will allow U.S. soda ash producers to expand in foreign markets, over time helping to reduce the U.S. trade deficit.

Additionally, promoting American soda ash is good for the environment. While American soda ash is found naturally, Chinese soda ash is produced synthetically. Chinese synthetic production uses twice the energy, resulting in over twice the carbon emissions as natural soda ash production.

GPI would like to thank you for considering our comments on S. 2031, and your leadership on this critical legislation.

Sincerely,

A handwritten signature in black ink that reads "Lynn M. Bragg". The signature is written in a cursive style with a large, looped initial "L".

Lynn M. Bragg
President