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October 14, 2011

Mary Nichols, Chair
California Air Resources Board
1001 I Street
PO Box 2815
Sacramento, CA 95812

Dear Chair Nichols,

As a legislator representing a glass container plant and its employees, I am writing to express my concern over the fact that the proposed Cap and Trade Regulations to implement AB 32, which establish an emissions benchmark for the glass container industry, fails to meet the requirements of AB 32. Specifically, AB 32 required the California Air Resources Board (CARB) to adopt regulations that 1) ensure that entities that voluntarily reduced their greenhouse gas emissions receive appropriate credit, 2) minimize leakage and 3) consider overall societal benefits to the economy, environment and public health.

California container glass manufacturers have consistently reduced emissions over the last 20 years, making the five glass plants in this state among the most efficient in the world. The glass industry's efficiency is due to the ever-increasing use of recycled glass containers made available through California's beverage container recycling law.

California's glass manufacturers are competing in the California food and beverage marketplace against glass containers from China and Mexico. The increased costs associated with these regulations as structured, could further exacerbate the ability of California glass manufacturers to cost-compete with foreign glass. Further, glass containers coming from these countries will undoubtedly lead to higher greenhouse gas emissions than what is coming from the California facilities.

If California glass manufacturers cannot compete against lower priced, higher emission glass from other countries, the California plants will be at risk of closure. This will jeopardize the 2600 union jobs at California glass manufacturing plants and the thousands of jobs in the supplier, recycling and warehousing industries that these plants support.

The CARB can rectify this situation by revisiting the emissions benchmark established for the glass container industry. Among the proposals that I understand the glass container industry presented to CARB staff, that were rejected, include establishing a national average benchmark and averaging the 2005-07 emission data rather than using a single year. Reconsidering these items would help the glass container industry comply and compete under the cap and trade regulations developed by the Board.

Given the state of California's economy and the state of unemployment, CARB should not be adopting regulations that put high paying jobs in communities that need jobs, at risk.

I look forward to your response to my letter.

Sincerely,

A handwritten signature in black ink that reads "Cathleen Galgiani". The signature is written in a cursive style with a large, looping initial "C".

Cathleen Galgiani
Assemblymember, 17th AD

cc

Governor Jerry Brown
Mike Rossi, Governor's Office
Clerk of the Board, CARB