



May 5, 2010

The Voice of the Glazing Industry

The Honorable Sherrod Brown
United States Senate
713 Hart Senate Office Building
Washington DC 20515

Dear Senator Brown:

On behalf of the member companies of the Glass Association of North America (GANA), thank you for the letter you and your colleagues sent on April 15, 2010 to Senators Kerry, Graham, and Lieberman highlighting the need for comprehensive clean energy legislation to promote American jobs, reduce carbon emissions, and lessen our dependence on foreign energy. We agree that in order to achieve these goals clean energy legislation must include a package of provisions that strengthen American manufacturing competitiveness and maintain a level playing field for domestic manufacturers.

GANA member companies are committed to developing advanced technologies and manufacturing capabilities that will result in energy-efficiency gains and reduced carbon emissions. We have a long history of developing and manufacturing energy-efficient products in the United States. During the 1980s, the introduction of low-emissivity glass resulted in significant energy savings by enhancing window performance. In more recent years, our member companies have made major investments in technology and equipment to enhance their leadership in the manufacture of "next generation" glass products for buildings and automotive use, and to produce critical components used by virtually every solar energy technology.

We would like to build on the substance of your letter by highlighting three core areas any comprehensive clean energy legislation must address in order to promote the competitiveness of American manufacturers while reducing carbon emissions:

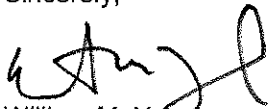
1. **Improving Building Energy Performance:** Buildings are responsible for roughly 40% of all energy consumed in the United States, and the equivalent amount of its carbon emissions. Clean energy legislation should include robust provisions that will strengthen enforcement of building codes at the state and local levels, and establish long-term residential and commercial building retrofit programs. The proposed Home Star and Building Star programs are steps in the right direction. Over time, these efforts will capture enormous energy savings while creating tens of thousands of new jobs, lowering utility bills for consumers, and helping to ensure American companies manufacture the innovative and quality equipment that will support a clean energy economy. More widespread use of energy-efficient glass products in residential and commercial buildings represents one of the most readily available methods to improve building energy performance. High-performing glass products keep more heat inside buildings during the winter and reflect solar heat in the summer, dramatically reducing both heating and cooling costs (and related emissions). Today, members of the U.S. glass industry are designing even more advanced glass products to meet the needs of the future.

2. **Maintaining a Level Playing Field for U.S. Manufacturers:** As your letter suggests, clean energy legislation that imposes a cap on emissions must address the real threat of carbon leakage by including a strong border adjustment provision that requires imported energy-intensive goods to bear the same climate policy-related costs as competing U.S.-made goods. The legislation should also allocate a sufficient and stable pool of allowances to energy-intensive, trade exposed manufacturers for a significant period of time. Flat glass manufacturing is a combustion process requiring melting of silica sand, soda ash, and other raw materials in a furnace at a temperature of 2900 F. Over the past several decades, our industry has reduced by more than 50% the energy required to produce a ton of glass. We have further reduced emissions during this period as a result of an industry-wide conversion to natural gas for melting. Nonetheless, the flat glass market is driven primarily by price, with energy remaining the single highest cost in our manufacturing process. Therefore, foreign competitors would inevitably gain market share in the United States absent a system for balancing costs associated with the regulation of emissions. Loss of market share for U.S. manufacturers would result in the closure of additional glass facilities around the United States, as well as undermine a central goal of the legislation by stimulating an increase in the production of glass products in markets that lack controls on emissions. This outcome would lead to higher total worldwide emissions levels associated with the manufacture of flat glass.

3. **Achieving Energy Efficiency Gains in Industrial Processes:** Clean energy legislation should also provide tax incentives to encourage manufacturers to invest in efficiency and clean energy technology. For example, waste heat from industrial processes – including the production of flat glass – is an abundant potential source of energy. The legislation should modify and expand tax credits available to industrial manufacturers for investments in waste heat recovery. Legislation already introduced in this Congress – H.R. 4144, sponsored by Congressman Jay Inslee (D-WA), and S. 1639, sponsored by Senator Jeff Bingaman (D-NM) – would begin to address this problem by allowing systems using waste energy from industrial processes to produce electricity or mechanical energy to qualify for existing tax credits. We urge you to support this legislation and to further expand tax credits available for industrial manufacturers who invest in waste heat recovery. By capturing industrial waste heat, we will help reduce carbon emissions, create new jobs, and enhance the competitiveness of American manufacturing.

We appreciate your leadership in helping to ensure American manufacturers remain competitive and will continue to lead the world in developing clean energy technologies. We look forward to working closely with you and your colleagues to incorporate these recommendations into a comprehensive clean energy bill.

Sincerely,



William M. Yarek
Executive Vice President

cc:

The Honorable Carl Levin
The Honorable Arlen Specter
The Honorable Claire McCaskill
The Honorable Kay Hagan
The Honorable Debbie Stabenow
The Honorable Robert P. Casey, Jr.

The Honorable Mark Warner
The Honorable Evan Bayh
The Honorable Robert Byrd
The Honorable John Kerry
The Honorable Lindsey Graham
The Honorable Joseph Lieberman