



December 17, 2019

Docket ID No. RIN 1004-AE58

U.S. Department of the Interior
Director (630) - Bureau of Land Management
Mail Stop 2134 LM
1849 C St. NW
Washington, DC 20240
Attention: RIN 1004-AE58

Re: Comments for Docket ID No. RIN 1004-AE58

On behalf of the Glass Packaging Institute (GPI), the North American trade association for the glass container manufacturers, suppliers of raw materials, equipment and transport to the industry, I offer the following **comments in strong support for the Non-Energy Solid Leasable Minerals Royalty Rate Reduction Process Rulemaking**, which would permit the Bureau of Land Management (BLM) to amend and revise the process for lessees seeking royalty rate reductions and similar adjustments.

Background

Sodium carbonate (aka, and referred to throughout our comments as “soda ash”) is among the non-energy minerals covered within the rulemaking. Over 90 percent of the world’s natural soda ash deposits are found in two U.S. locations (Wyoming and California).

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, increases energy efficiency and reduces associated greenhouse gas emissions.

The U.S. glass container manufacturing industry supplies America’s leading beverage and food brands, and directly employees over 16,000 Americans at the country’s 42 glass container manufacturing plants. Supporting glass container production are our soda ash supplier companies, which directly employ over 3,000 Americans, and are responsible for over 200 jobs at Washington, California, Texas and Oregon ports, for soda ash exported to global customers.

Domestic Soda Ash Producers Face Continual and Unfair Competition

China, whose companies produces synthetic soda ash, is the domestic soda ash producers’ primary competitor. Simply put, Chinese soda ash production does not face the same cost to conduct business as the domestic soda ash industry, with their sales and production unfairly rebated by their government, as outlined below.

The Chinese government consistently subsidizes their soda ash production companies, by providing a rebate on exports, as a percentage of the Value Added Tax (VAT). The VAT is 17 percent, and China had been rebating almost half (9 percent) of that VAT until one year ago, when they increased the rebate to 13 percent.

A 13 percent VAT rebate equates to over \$45 million annually in savings for the Chinese soda ash producing companies, exacerbating their country's competitiveness versus US soda ash producers. The rebate, combined with ongoing currency manipulation and devaluation, allows Chinese soda ash companies to realize a \$40 per ton price advantage over U.S. companies in the global marketplace.

As a result of these efforts, China is now approaching 50 percent of the global soda ash market share, while the U.S. has dropped from about 35 percent in the mid-1990s to about 20 percent today.

Soda Ash Royalty Reduction & Authority

To address these issues, and create a more level playing field, GPI strongly supports adoption and finalization of Sec. 3513.17, cited within the proposed rule.

This section will allow for the BLM to independently lower the rate on an industry-wide basis, without additional legislation or similar direction from Congress. The FY-2018 Omnibus Appropriations bill (Public Law 115-141) explicitly declared the bipartisan, bicameral legislative intent of Congress for the soda ash royalty rate to be set at two percent.

A decrease in the soda ash royalty rate to two percent for a period of ten years would provide the domestic soda ash companies assurance that they will be able to remain competitive in the global marketplace, and follow through with their planned facility upgrades, investments and accompanying hiring.

Through finalization of Sec. 3513.17, the BLM would be permitted to determine any necessary action, taking into account issues like global competitiveness, when deciding whether or not to lower an industry's royalty rate.

Thank you for your consideration of our comments, and please contact me if you have any questions or to follow up.

Sincerely,



Scott DeFife
President