

Testimony of Jay Scriptor
Vice President, Sustainability
Owens-Illinois, Inc.
Before the Senate Committee on Energy and Natural Resources
Hearing on (Among other Bills)
S. 1000, The Energy Savings and Industrial Competitiveness Act of 2011
June 9, 2011

Mr. Chairman, Ranking Member Murkowski and members of the Committee, my name is Jay Scriptor and I am Vice President, Sustainability of Owens-Illinois.

O-I, with revenues of \$6.6 billion, is the world's largest glass container manufacturer and the preferred partner for many of the world's leading food and beverage brands. The company is headquartered in Perrysburg, Ohio, and employs more than 24,000 people at 80 plants in 21 countries. O-I delivers safe, effective and sustainable glass packing solutions to a growing global marketplace.

I greatly appreciate the opportunity to testify today. I commend the Committee for its consideration of each of these important bills, and, in particular, I commend Senators Portman and Shaheen for their work on S.1000, the Energy Savings and Industrial Competitiveness Act of 2011. It is bipartisan and sensible—and, among other things, it provides opportunities for America's energy-intensive industries, such as glass manufacturing, to work cooperatively with government to increase energy efficiency. Before offering a few particular observations about the bill, however, let me briefly describe our company's approach—and commitment—to energy efficiency and sustainability.

In March of 2009, we announced the most aggressive sustainability goals the company has created in its 100+ year history. Using 2007 as the baseline, the goals span 10 years to 2017 and are the following:

- A 50% reduction in energy consumed
- A 65% reduction in CO₂ emissions
- Almost double our usage of post-consumer recycled material from roughly 30% worldwide to 60%.

O-I has realigned a significant amount of our engineering and technical resources to upgrade our systems today with new more energy efficient technology such as advanced furnace control systems. Equally important, development of out-of-the-box new manufacturing processes are

also critical to our strategy. These new processes include high efficiency melting technologies, heat recovery and utilization, and new innovative approaches to obtaining and processing more post-consumer glass for recycling.

Through many of the devices contemplated in the proposed legislation, such as well conceived partnerships, strategically targeted collaboration, best-practices promulgation, and revolving-fund financing assistance, the government can accelerate and spread the efficiency revolution, making it an engine for American competitiveness and job creation.

Turning more specifically to S.1000, I want to highlight just three of the most promising provisions, from our point of view.

First, Section 302—Coordination of Research and Development of Energy Efficient Technology for Industry. We are particularly encouraged by Section 302, with its objective of using the capabilities of, and learning from, DOE's Industrial Technologies Program to create industry-government collaborative research and development partnerships involving ITP and other DOE entities.

O-I has experience with this process. We are currently working on an ITP energy-efficiency project with the Battelle Institute that involves using waste heat from our furnaces. The initial installation would be in our Zanesville, Ohio plant. If the concept can be successfully developed and implemented industry-wide, we could reduce significantly glass-industry energy consumption and increase the financial competitiveness of U.S. glass manufacturing.

In our view, this kind of partnership helps assure that projects meet both governmental and industry needs—that they aid energy efficiency and that they are practical and immediate.

Second, Section 303—Energy Efficient Technologies Assessment. This provision would create a collaborative government-industry process to study the special needs of energy-intensive industries, including, explicitly, glass, steel, aluminum, forest and paper products, food processing, metal casting, chemicals, petroleum refining, cement, and information and communication technologies. Among its goals would be recommendations on cost-competitive commercial energy efficiency technologies, programs and structures to promote investments in energy efficiency, and international comparisons aimed at borrowing the best ideas from elsewhere. If done right, this process could be an excellent opportunity for industry and government to put their heads together and come up with ways to make our energy-intensive industries more competitive as well as more energy efficient.

Third, Subsection 303(b)(6), which provides, as part of the broader study referred to above, "an assessment of energy savings available from increased use of recycled material in energy-intensive manufacturing processes." We believe this is critical. Recycled materials

represent huge potential energy and emissions savings. It is wasteful to make energy-intensive materials from raw materials when they can be made from re-melting existing, recycled products. We need to find ways, however, to increase the quality and availability of recycled materials.

In the glass industry, for instance, a plant's energy usage drops 2-3% for every additional 10% increment in usage of recycled glass. Similarly, the plant's greenhouse-gas emission levels are reduced 4-10% for every additional 10% of recycled material. According to EPA, in 2009, recycling activities saved the equivalent of 5% of the entire U.S. carbon inventory, and the equivalent of the electricity used by 19 million homes.

However, recycling in the United States is inadequate, is served by an inadequate governmental infrastructure and lags far behind many developed countries. We in the glass industry cannot get nearly enough recycled bottles and are engaged in multi-front efforts to improve supply. We greatly welcome the initiative represented by Subsection 303(b)(6).

To close, I want to again express my gratitude for the opportunity to share O-I's enthusiasm for this legislation and our willingness to help it succeed in any way we can.