



## PPG Industries

Bringing innovation to the surface.™

**Thomas P. Kerr**  
Vice President, Fiber Glass  
PPG Industries, Inc.  
400 Guys Run Road  
Cheswick, PA 15024  
(412) 820-8165  
tkerr@ppg.com

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### **PPG Industries urges Congress to extend the wind production tax credit (PTC) as soon as possible**

On behalf of the PPG Industries fiber glass employees in Pennsylvania, North Carolina, and South Carolina, I respectfully urge Congress to immediately extend the renewable energy Production Tax Credit (PTC) before the U.S. wind market shrinks significantly in 2013 due to an expired PTC.

Wind turbines require 8000 parts to assemble and utilize fundamental materials, like PPG-produced fiber glass and paint. Although PPG's products are used in other markets, it is the high-growth, high-demand of the wind industry that supports our business and employees. A significant portion of our fiber glass sales are driven by wind energy project development in the U.S. High-growth, high-technology markets like wind energy are the life blood of manufactured goods like fiber glass since they drive the need for our product, the development for new products, and keep our employees gainfully employed. Since 2003, PPG has focused on this emerging market and now as a leading supplier, it is vital for our business to be able to depend on those sales.

**An expiration of PTC will negatively impact PPG by slowing down orders for our products ahead of the December 2012 expiration. We will face a repeat of when the PTC expired in the past – installations dropped between 73 and 93 percent with corresponding job losses - except now the impact felt will be much larger since the wind market has grown and 60% of a wind turbine's value is made in the U.S.**

If Congress does not renew the PTC by the end of the second quarter, this expiration will halt domestic wind farm development and, as a result, orders for turbines and blades will decrease drastically. The resulting impact for PPG is a drop in fiber glass sales for wind blades prior to the PTC expiration. Since it is not prudent to manufacture product without orders, we will need to begin reducing jobs in the second half of 2012. About 1800 PPG employees depend in part upon the US wind energy development market.

This ripple of decreased investment, development and a shrinking job force will continue throughout the rest of the U.S. wind industry. PPG is only one example. A study by Navigant Consulting shows the U.S. wind market will experience a loss of approximately 37,000 jobs and \$10.1 billion in private investment in the first year alone.

On an industry-wide scale, the PTC has proven itself to be an effective tool to keep electricity rates low and encourage development of proven renewable energy projects. Equipped with the PTC, the wind energy industry has contributed impressively to U.S. economic development. Since 2005, the wind industry has spurred more than \$60 billion of investment. Today, over 400 facilities across 43 states manufacture for the wind energy industry; PPG has invested and increased manufacturing capacity to support the wind industry growth. With its ability to guarantee firm prices in long-term contracts, wind energy has reduced electricity rate risk for American homes and businesses and provided 35% of all new U.S. power capacity in the last four years. PPG does not believe the PTC should be extended indefinitely; Ideally, Congress should extend it for several years and phase it out, thereby giving the incentive time to work and establish a competitive domestic wind energy infrastructure.

Overlooking an extension of the PTC has already slowed investment and now threatens the health of the entire industry. Before the U.S. wind industry slips down a regressive path, Congress must take action on this now urgent matter. In order to continue to foster the growth of an industry that has contributed to economic development, reinvigorate the American manufacturing sector, and diversify our electricity supply, we urge you to act quickly to extend the PTC. We appreciate your support for America's renewable energy future. If you need any further information on the impacts associated with the PTC, please do not hesitate to contact me.

Sincerely,

Thomas P. Kerr  
Vice President, Fiber Glass

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