

**Kelly D. Johnston**  
VICE PRESIDENT GOVERNMENT AFFAIRS

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Campbell Soup Company  
1 Campbell Place  
Camden, NJ 08103

July 14, 2017

The Honorable Cecilia Aguiar-Curry  
Capitol Office, Room 5144  
P.O. Box 942849  
Sacramento, CA 94249-0004

**RE: AB 398 (E. Garcia) – California Global Warming Solutions Act of 2006: market-based compliance mechanisms: fire prevention fees: sales and use tax manufacturing exemption. (2017-2018)**

Dear Assemblymember Aguiar-Curry,

We urge you to support AB 398, as amended July 10, 2017, to extend California's cost-effective cap-and-trade program while ensuring continued leadership and environmental integrity. AB 398 reforms and extends California's cap-and-trade program to provide the most cost-effective path toward the state's climate change goals while mitigating potential consumer cost increases related to higher prices for fuel, energy and consumer goods such as California food products.

### **About Campbell Soup**

Campbell is driven and inspired by our Purpose, "Real food that matters for life's moments." We make a range of high-quality soups and simple meals, beverages, snacks and packaged fresh foods. Led by our iconic Campbell's brand, our portfolio includes Pepperidge Farm, Bolthouse Farms, Arnott's, V8, Swanson, Pace, Prego, Plum, Royal Dansk, Kjeldsens and Garden Fresh Gourmet. Founded in 1869, Campbell has a heritage of giving back and acting as a good steward of the planet's natural resources. The company is a member of the Standard & Poor's 500 and the Dow Jones Sustainability Indexes. Campbell operates facilities throughout California and provides over 2,500 jobs.

### **Support for AB 398**

AB 398 provides a seamless transition that will contribute much needed consistency in the program through its reform of the market design and additional oversight and accountability. It is needed to prevent further economic leakage and to protect our company from a deterioration of competitiveness against out-of-state competitors both national and international. As amended, AB 398 provides all of the following:

1. 100% allowance allocations from 2020 to 2030.
2. 100% allowances beginning 2018 through 2020 for the 3<sup>rd</sup> compliance period.
3. Price ceiling on the price of allowances starting 2020.
4. Cap adjustment factor set to the rate of cap decline.

5. Establishes the Emissions Market Advisory Committee to oversee Cap-and-Trade which will provide food producers an opportunity to seek changes in the program should it become necessary.
6. Requires that the Air Resources Board, in the ongoing development of the Cap-and-Trade regulation, must rely on the best available economic and scientific information available.

The alternative to extending California's Cap-and-Trade program is a far costlier command-and-control regulatory scheme that would lead to higher energy prices for both our facility and consumers and businesses in general.

We respectfully request your support of this legislation and an "aye" vote when the bill comes before you. Please feel free to contact Jennifer Sweeney, Senior Manager – State Government Affairs, with any questions. You may reach her at 856-968-4368 or [jennifer\\_sweeney@campbellsoup.com](mailto:jennifer_sweeney@campbellsoup.com).

Sincerely,

A handwritten signature in black ink that reads "Kelly Johnston". The signature is written in a cursive, flowing style.

Kelly D. Johnston  
Vice President – Government Affairs