



GPS Services
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July 13, 2017

The Honorable Kevin de León
President Pro Tempore, California State Senate
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker, California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

RE: AB 398 & AB 617 - Support

Dear President Pro Tempore de León and Speaker Rendon,

On behalf of Gap Inc. I am writing in support of AB 398 and AB 617, which will improve and extend California's Cap-and-Trade program, the state's market-based emission reduction program, beyond 2020. In addition to our global headquarters, our two distribution centers, and 305 retail outlets, Gap Inc. employs over 22,600 people statewide.

The issue of climate change is of utmost importance to our company and we believe that action on climate change is not an option, but an imperative. At Gap Inc., we're working towards cutting greenhouse gas emissions from our global facilities in half by the end of 2020, diverting waste from our U.S. facilities, and partnering with our suppliers around the world to adopt more sustainable manufacturing practices.

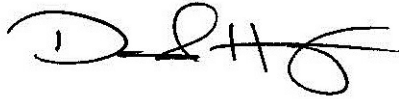
We need our decision-makers to establish long-term economy-wide climate policies that that will help encourage all companies to reduce their carbon footprint. AB 398 and AB 617 improve upon California's Cap-and-Trade program and authorizes the Air Resources Board (ARB) to execute the Cap-and-Trade program through 2030. A strong Cap-and-Trade program, in conjunction with California's other key climate programs, such as the Low Carbon Fuel Standard, is critical to meeting the state's 2030 greenhouse gas (GHG) reduction goals.

California's Cap-and-Trade program has a four-year track record of successful compliance and has proven an excellent backstop for the state's GHG mitigation program ensuring California will meet its current climate goals. With increasingly ambitious goals, the use of the most economically efficient policy and regulatory consistency are paramount for California businesses.

Together these bills will ensure that California can employ an improved and effective market-based climate reduction program – Cap-and-Trade – to ensure we meet our statutorily required 2030 GHG goals in the most cost-effective manner possible.

Gap Inc. remains steadfast in our support for a low-carbon economy as the right path forward for future business growth and job creation, human health and the environment. We remain focused on doing our part to achieve the sustainability goals we've set—we applaud this legislation and we urge broad support from the legislature.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Hayer', with a stylized flourish at the end.

David Hayer
President, Gap Foundation
Senior Vice President, Global Sustainability

CC: The Honorable Governor Jerry Brown