



# CALIFORNIA METALS COALITION

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Assemblymember Cheryl Brown Fax: 916-319-2147

Assemblymember Cristina Garcia, Chair, Asm Accountability and Administrative Review Committee  
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## **RE: SUPPORT AB 2181 - Public contracts: contract specifications**

California is home to approximately 4,000 metalworking facilities, employing over 110,000 Californians with middle-class manufacturing jobs and health benefits. 8 out of 10 employees in the metalworking sector are considered ethnic minorities or reside in disadvantaged communities.

California's metalworking companies recycle discarded metal and manufacture new components used in: aerospace, biotech apparatuses, solar panels, electric cars, medical devices, infrastructure, national defense, agriculture, construction, transportation and millions of other applications.

When bidding on a project—both public and private sector—the cost structure that determines the price of a product often includes: (1) energy costs: electricity and/or natural gas, (2) metal or material costs, (3) labor costs, (4) state and local regulatory costs, (5) health and workers comp insurance, and (6) logistics or movement of the final goods.

Of the above costs, only metal or material are similar to our competitors in the U.S. and around the world. All the other costs are traditionally higher—sometimes significantly higher—than our competitors. As a result, California's government often purchases its good from non-California metal manufacturers. An example is the \$6.5 billion (before repairs) Bay Bridge project that was built in China and shipped to California.

AB 2181 acknowledges the additional cost structure placed on California manufacturers who have real-world experience implementing some of the world's most progressive environmental laws. **More importantly, AB 2181 provides a vehicle to address the cost impact of these laws for "green" manufacturing in California.**

The California Metals Coalition supports AB 2181. We thank you for your dedication to our state, supporting middle-class jobs, and balancing the needs of communities.

Sincerely,

James Simonelli, Executive Director