



New United Motor Manufacturing, Inc.

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May 11, 2009

*(Via Facsimile to 916.324.5942)*

Ms. Lucille Van Ommering  
California Air Resources Board  
1101 I Street  
Sacramento, CA 95814

Re: *Comments regarding the April 13<sup>th</sup> Discussion of Emissions Leakage Issues in Cap-and-Trade*

Dear Ms. Van Ommering:

As you know, NUMMI is the Toyota/GM venture in Fremont, California that employs about 4,700 team members and produces on average more than 300,000 vehicles per year. Also, NUMMI has attracted to California 26 affiliated major part supplying companies that employ a total of approximately 3,200 additional team members. We appreciate the opportunity to share with you our comments regarding the *Discussion of Emissions Leakage Issues in Cap-and-Trade* as presented by CARB at its April 13<sup>th</sup> workshop.

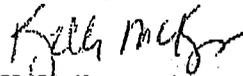
NUMMI sees environmental stewardship as a very high priority. Through its concerted voluntary efforts, NUMMI has been a model of conservation and environmental innovation over the years. Its systematic review of manufacturing processes has resulted in very high levels of source reduction, water conservation, energy conservation, recycling and the like. Along with all of its other environmental concerns, NUMMI is taking a strong interest in finding workable solutions leading to the reduction of greenhouse gases.

NUMMI truly appreciates efforts to find options to protect the environment while not endangering high-paying manufacturing jobs such as those NUMMI and its suppliers offer. We support the proposed step-by-step *California Framework for an Assessment Methodology* as outlined in slides 26 through 29 of your April 13<sup>th</sup> presentation. This methodology is the foundation needed to assess competitiveness and leakage of emissions and jobs. To improve this methodology further, we recommend that the criteria for 1) benchmarking within a sector be added and 2) financial data be narrowed to available public financial data in estimating potential compliance costs. This would avoid disclosure of non-public and sensitive business information.

Benchmarking emissions with production levels of similar sources within a sector is an excellent way to determine the extent to which cost effective technology has been implemented by individual sources. Also, the use of available public financial data, like the various sales and market prices for a product produced, is usually sufficient to determine competitiveness within a sector.

If you would like to discuss these issues further, please contact our consultant, Tony Fisher, at 916.833.0723.

Sincerely,



K. Kelley McKenzie  
General Counsel

cc: Steven Cliff (*Via Facsimile to 916.324.5942*)  
Mihoyo Fuji (*Via Facsimile to 916.324.5942*)  
Sam Wade (*Via Facsimile to 916.324.5942*)  
Matthew Zaragoza-Watkins (*Via Facsimile to 916.324.5942*)