

April 28, 2017

California Air Resources Board  
Clerk of the Board  
1001 I Street  
Sacramento, CA 95814

**Re: USS-POSCO Industries Comments on Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms**

Pursuant to the *Second Notice of Public Availability of Modified Text and Availability of Additional Documents and/or Information*, issued by the California Air Resources Board (ARB) on April 13, 2017, USS-POSCO Industries (UPI) submits these comments on proposed amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (Cap-and-Trade). UPI supports deferring consideration of post-2020 Assistance Factors for industrial allocation until a later time to allow for full and fair review of this very important issue, and greatly appreciates Staff's consideration of comments made by UPI and others regarding the shortcomings of the leakage studies and the potential negative impacts of the previously proposed sharp decline in post-2020 Industry Assistance Factors for the Cap-and-Trade program.

UPI also appreciates Staff's commitment to continuing to provide industrial allocation at levels sufficient to minimize emissions leakage post-2020. UPI supports Staff's proposal to initiate a deliberative process with input from industrial as well as other stakeholders to establish a robust and transparent framework for post-2020 Assistance Factors, and looks forward to working with Staff in this effort in order to ensure the achievement of both the environmental objectives of the Cap-and-Trade program and the sustainability of California industry.

UPI Comments on Proposed Amendments to Cap-and Trade Regulation

April 28, 2017

Page 2

Very truly yours,

GOODIN, MACBRIDE,  
SQUERI & DAY, LLP

/s/ Suzy Hong

Suzy Hong