



RON GETTELFINGER, President

ELIZABETH BUNN, Secretary-Treasurer

VICE PRESIDENTS: GENERAL HOLIEFIELD • BOB KING • CAL RAPSON • JIMMY SETTLES • TERRY THURMAN



IN REPLY REFER TO

April 3, 2009

1757 N STREET, N.W.
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Dear Representative:

Yesterday Representatives Inslee and Israel sent a Dear Colleague urging Members to cosponsor the legislation which they have introduced entitled the "Accelerated Retirement of Inefficient Vehicles Act of 2009 (ARIVA) (H.R. 520). The UAW strongly opposes this misguided bill, which would use taxpayers' dollars to subsidize foreign auto production, while undermining the jobs of American workers.

The UAW supports the concept of a fleet modernization (cash-for-clunkers) program, which would provide incentives to consumers to scrap older, lower mileage vehicles and purchase new, higher mileage vehicles. Properly constructed, this type of program could stimulate auto sales and boost production and jobs for American workers, while also helping to reduce oil consumption and greenhouse gas emissions.

Unfortunately, the Inslee-Israel bill fails to include **any** link to domestic production. Furthermore, the fuel economy requirement for new vehicles is structured in a manner that heavily favors vehicles built overseas by foreign automakers. Because of these two defects, a large portion of the incentives provided by the Inslee-Israel bill would wind up subsidizing the production of vehicles made in Japan and other foreign countries. This would exacerbate the competitive disadvantage that domestic auto production already faces due to unfair trade policies and the absence of any national health care program in our country. This in turn would inevitably lead to more plant closings and further job loss in this country.

During the debate on the recently enacted Economic Recovery and Reinvestment Act, the UAW strongly supported the Buy American provisions that will help to ensure that the funds provided under that legislation will be used to support American jobs. We believe the same principle should be applied to any fleet modernization legislation. It makes no sense to spend taxpayers' dollars to help foreign automakers boost production in Japan and other foreign countries.

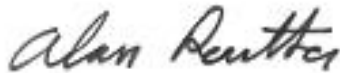
Fortunately, Representatives Sutton and Candice Miller have already introduced a balanced fleet modernization proposal, the "Consumer Assistance to Recycle and Save Act" (CARS) (H.R. 1550), that will boost auto production and jobs in the

United States, while also reducing oil consumption and greenhouse gas emissions. This legislation provides incentives for consumers to scrap older, less fuel efficient vehicles and replace them with new, higher mileage vehicles. But it is structured in a manner that is competitively neutral for all of the major automakers. And, most importantly, the subsidies are targeted so that taxpayers' dollars will be used to encourage the production of vehicles made in the United States, thereby supporting the jobs of American workers.

For these reasons, the UAW strongly urges you to cosponsor and support the Sutton-Miller fleet modernization bill (H.R. 1550), and to oppose the Inslee-Israel legislation (H.R. 520).

Thank you for considering our views on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Alan Reuther". The signature is written in a cursive, slightly slanted style.

Alan Reuther
Legislative Director

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