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General Motors

GM Communications  
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**Hollywood Goes Green Keynote -- 12/8/08**  
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Thank you.

It's great to be here again as Title Sponsor of Hollywood Goes Green. GM was also title sponsor last year for the first annual Hollywood Goes Green conference. It was a particularly exciting event for us.

If you were there last year at the Roosevelt Hotel in Hollywood, you might recall that we brought the concept version of the Chevy Volt – our extended range electric vehicle that, frankly, will help us transform the automobile industry.

We recently brought the production version of the Volt to Southern California, first at the AltCar Expo in Santa Monica in September and again at the LA Auto Show last month.

And today, we're proud to show the plug-in electric version of the Saturn Vue hybrid – it's hard to miss ... parked in the center of the exhibit hall. The plug-in Vue is expected to more than double the fuel economy performance of any 2009 SUV, including the hybrids.

I'll talk more about our electric vehicles and advanced technology products later. But first, I want to give you an update about the status of GM ...

As I'm sure you know, last week, GM submitted our plan for long-term viability to the U.S. Congress.

And late last week, our Chairman and CEO Rick Wagoner, along with the heads of Ford and Chrysler, answered questions from Congress and stressed the importance of the automobile industry to the U.S. economy.

As Rick explained in the hearing... while we made decisions that seemed right at ...and for ... the times ... things like collective bargaining agreements, or investments in products that consumers seemed to want when gas was cheap ... we made mistakes along the way ...

... we failed to build sufficient flexibility into our operations, and we didn't move fast enough to invest in smaller, more fuel-efficient vehicles for the U.S. market.

The plan we gave to Congress addressed these and many other issues. It's part of an urgent request for federal funding to help GM weather the ongoing global financial crisis and the lowest per-capita U.S. vehicle sales in 50 years.

It explains why GM needs temporary government funding ... how that funding would be used ... and why such temporary funding is necessary for the company and beneficial to the U.S. economy

Our plan builds on ... and dramatically accelerates ... the restructuring we've been driving in North America for several years.

It's aggressive ... marked by a number of tough but necessary actions ... and one that requires significant sacrifices from all GM stakeholders.

Consistent with our advanced technology strategy over the last several years, we will increase production of fuel-efficient vehicles and energy saving technologies.

Our plan calls for significant changes to our market and retail operations, including the rationalization of brands, models, and retail outlets.

We are going to have fewer brands and will focus on smaller, more fuel efficient vehicles.

The goal is to enable the company to operate profitably at industry volumes between 12 and 13 million vehicles. This is substantially below the 17 million industry levels averaged over the last nine years.

The plan calls for further changes in existing labor agreements, including job security provisions, paid time off, and post-retirement health-care obligations.

As part of the plan, our chairman has decided to reduce his salary to \$1 for 2009, and forgo an annual bonus for 2008 and 2009.

Consistent with this action, Board members will reduce their annual retainer to \$1 for 2009 ... and the next four most senior officers will reduce their total cash compensation by about 50 percent in 2009.

So, these are the headlines of what GM has committed to do ... and give up ... in order to position the company for long-term viability.

Our intent is to begin to repay the loans as soon as 2011 ... and under baseline industry assumptions, fully repay them by 2012

We think the plan would accomplish everything that bankruptcy would accomplish, but without the negative consequences ... including the stigma bankruptcy would attach to our products in the eyes of consumers.

Now, having said all that let me give you an update about GM's commitment to the environment and where we are with some of our key products.

Despite what you might think while driving Los Angeles highways... GM actually does sell cars in California. Granted, not many – especially as of late.

Obviously, we're not very happy about this... GM's market share in California is less than it is in China.

That said, California always has been... and always will be... one of the most important markets for GM.

In fact, it was in California a couple of years ago, at the Los Angeles Auto Show, that our Chairman announced a critical element of GM's ongoing turnaround plan ...and a key part of our future business strategy ... was our drive for energy and environmental leadership ... and the electrification of the automobile.

That point is even more critical today. And we're committed to becoming an environmental leader – a company that is truly part of the solution.

At GM, we believe the global auto industry – as a business necessity, and as our obligation to society – must develop alternative sources of propulsion, based on diverse sources of energy, to meet the world's rapidly growing demand for our products.

And that's exactly what we're doing at GM.

As we look ahead at the global energy and environmental picture today, and consider the future of the automobile, one fact stands out above all others ... going forward, the auto industry can no longer rely almost exclusively on oil to supply the world's automotive energy requirements.

Around the world, there are several promising solutions to the energy and environmental challenges we face.

At GM, we're working hard on most of them... things like the broad-scale application of hybrid technology, and the development of vehicles that can run on advanced biofuels.

But the one technology that seems to generate the most interest here in California... particularly here in Hollywood ... and one we're working very hard to bring to market... is electrically-driven vehicles.

This seems to surprise a lot of people.

But, despite old movie titles and urban myths to the contrary, the electric car is not dead at GM.

Frankly, we've significantly expanded our commitment to electrically-driven vehicles at GM... and are now in the midst of a radical transformation.

We're moving from a company that, for 100 years, has been based on mechanically-driven products, to one that will eventually be based on electrically-driven vehicles.

And make no mistake, this is a very big deal.

So, what do we mean by electrically driven vehicles? Well, there are many different kinds. Let me discuss two that we're focused on right now... starting with our hydrogen fuel cell vehicles.

First, a hydrogen fuel cell vehicle is an electric vehicle. But instead of a big battery, it drives on electricity created on board by the fuel cell. The fuel cell is a battery of sorts that stores electricity in the form of hydrogen.

And the beauty of a fuel-cell electric car is that the electricity is generated onboard the vehicle, without using petroleum-based fuel, and without emissions. And like electricity, hydrogen can be made from diverse – even renewable -- energy sources before it ever powers a vehicle.

In short, hydrogen... like electricity... offers outstanding benefits, beginning with the opportunity to diversify fuel sources “upstream” of the vehicle.

In other words, the electricity that is used to drive the vehicle can be made from the best local fuel sources – wind, solar, natural gas, coal, nuclear, geothermal, hydroelectric, and so on.

I hope some of you know about our current generation of fuel cell vehicles – the Chevy Equinox fuel cell – and may have even seen one or two right here on the streets of LA.

The Equinox Fuel Cell has between a 150 - 180 mile range, refuels in 5-8 minutes, and is a full-fledged electrically-driven, zero emissions vehicle.

In January, we launched Project Driveway and began delivering these vehicles to customers in California and the East Coast. Together, they constitute the world's largest fuel-cell test fleet.

So far, we've turned over the keys to nearly all of the 100 vehicles to our customers, including about 60 here in Southern California.

The vehicles are in the hands of every day drivers, businesses, media and governments. The U.S. Postal Service is even using one to deliver mail in Orange County.

Celebrities like Jay Leno, Hart Bochner, Cheryl Tiegs and others are also driving these vehicles.

Project Driveway is geared to get candid feedback from all sorts of drivers about the vehicle's performance so we can reengineer or make adjustments to the technology before launching our next generation of fuel cell vehicles.

Drivers have put 500,000 miles on these vehicles, helping us prove that the technology works. We brought one here today ... and you're welcome to take a close look and even take it for a test drive.

The second electrically driven vehicle we're working hard to bring to market, is one that has received a good deal of attention out here... and that's our Chevy Volt.

Except for its predecessor, the EV1, I think it's fair to say no car in my GM career has created more excitement than the Volt... here in Southern California for sure, but also throughout the U.S., and around the world.

As I mentioned earlier, maybe some of you saw the concept at Hollywood Goes Green last year – or more recently the production version at the AltCar Expo in Santa Monica or the LA Auto Show.

Simply stated, the Volt and its extended-range electric technology will transform the automotive industry. Volt is the first production model of our new family of electric-drive

systems we call E-Flex.

The “E” in E-Flex stands for “electric,” because all E-Flex vehicles will be driven by electricity... and E-Flex is “flexible,” because it easily adapts to different sources of electricity.

The electricity used to energize E-Flex vehicles can come directly from the power grid... or from a small motor running on biofuel or natural gas... or from an advanced clean diesel engine... or from a hydrogen fuel cell... and so on.

When running off the battery... which customers can charge in a standard 120v or 240v electrical wall outlet... the Volt operates as a traditional battery-electric vehicle, with a driving range of about 40 miles.

And when you consider that three-quarters of American drivers travel less than 40 miles in their daily commute... clearly, Volt can have a huge impact on reducing America’s petroleum dependence.

But if the driver of a Volt needs to go beyond 40 miles before reaching another electric socket, an on-board generator kicks in only to minimally recharge the battery and keep the electric motor going.

This enables the Volt to travel several hundred miles beyond its initial charge ... with a likely triple digit fuel economy rating.

The key to getting Volt on the road is advanced lithium-ion battery technology.

We’ve been running prototype packs through numerous tests since last year... including some pretty severe ones... in order to ensure the 150,000 mile / 10 year warranty ... and the results



to date are quite encouraging.

In fact, Volt test cars have been driving the streets of Michigan for several months, and our Chairman even drove one around DC last week.

Given the importance of bringing this vehicle to market as soon as possible – for both GM and for the environment - we're developing the Volt with all the urgency we can muster.

We remain on target of getting the Volt into Chevrolet showrooms by November of 2010. And we are planning other vehicles using Volt's extended-range electric system.

So... at GM, we believe that electrically driven vehicles are the best long-term solution we have for addressing society's energy and environmental concerns.

We also believe this move is required for GM to truly be the industry's environmental leader

But to do this, it's also important that we have an honest conversation about what's required to bring these technologies to market in volume.

In short, we need a strong commitment from all sectors of our society to develop and implement the technologies that will allow us to achieve our mutual goals.

We, as automakers, need to take the lead... by developing the technologies and then driving their costs down.

We understand this, and we're prepared to do our part. But there are important roles for others, as well.

Consumers, for example, have a critical role to play. Perhaps most important, they must be willing to pay more for better fuel economy and for an environmentally friendly vehicle... because technology, by itself, is of little consequence if it isn't eventually put to use by consumers on a large scale.

To make a difference, technology has to be adopted by lots of consumers... in fact, by a significant portion of the driving public... and that's what we're shooting for at GM, with the technologies we're developing today.

Beyond the auto industry... and in addition to consumers ... there's also a critical role for Hollywood. We need the industry to help educate the car-buying public about new, advanced technology vehicles and encourage their use.

TV and film have tremendous reach and unparalleled influence on consumers – that goes without saying.

We need Hollywood to leverage this influence and help educate the public about advanced technology vehicles, and, frankly, entice consumers to buy them.

Hollywood always seems to feature the latest cutting edge technology in movies and on TV.

Now more than ever, this practice should be used with respect to new vehicle technology – put the Entourage guys in an Escalade or Tahoe Hybrid rather than a HUMMER, for example.

Beyond the silver and small screens, Hollywood studios can consider using more of these green vehicles on back lots and on set.

Electric vehicles – in all of their forms – make perfect sense for this type of use. In addition to their practical benefits – like no sound, and low or zero emissions – simply having them “seen”

on set and driving around the lot can help set a trend that ultimately will help increase volume.

Right now, Disney is using a small fleet of our Chevy Equinox fuel cell vehicles for various activities. In addition to gathering vital information from this particular use, Disney is helping us show off the technology and demonstrate it as a viable solution.

CBS is considering doing the same thing. ... And Virgin Atlantic is currently using a few vehicles to provide shuttle service to its first-class passengers at LAX.

We need more partnerships like this within Hollywood so we can continue to show off and create demand for these products – with an ultimate goal of getting large numbers of these clean vehicles on our roads.

Hollywood is powerful – it has the power to help us move away from mechanically driven vehicles to electrically driven vehicles in numbers that will truly make a difference.

We've received a lot of support from the entertainment industry during these challenging times. And when you get right down to it, many in Hollywood want GM to succeed... here, and in California, and around the world... in general, and especially in energy and environmental leadership.

That, to us, is great news... a real opportunity for us.

And we're determined to take full advantage of that opportunity, by giving you a reason to come back to GM... with great cars... outstanding designs... and the best environmental technology in the business.

Stay tuned ... and thank you!