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NRDC Finds That Ford, GM Can Meet Nation's Most Progressive Global Warming Standards

Congressional Bailout of Auto Makers Must Include Highest Efficiency and Fuel Standards

WASHINGTON (December 8, 2008) -- General Motors and Ford are now positioned to comply with California's landmark global warming standards if they are applied nationwide, according to new data released today by the Natural Resources Defense Council (NRDC). These new findings are critical as Congress considers a major bailout of the auto industry. Despite the capacity to meet these standards, however, GM and Ford remain embroiled in efforts to block the California standards through lawsuits and lobbying.

“Producing modern and efficient vehicles will expand America’s workforce, make GM and Ford globally competitive, and save drivers billions at the pump,” said Roland Hwang, vehicles policy director for NRDC. “In a future of insecure oil markets and intensifying global warming, American auto companies will only be competitive by making cleaner, more fuel-efficient cars.”

The NRDC study is based on the fuel economy levels in the plans submitted by GM and Ford to Congress on December 2, 2008. The study converted the miles per gallon (mpg) values in the companies’ business plans to greenhouse gas (GHG) emission rates. NRDC experts then assessed whether the companies’ plans would place them in compliance with the California program. The study uses methodologies that are consistent with those developed by the California Air Resources Board and uses publicly available data from the U.S. Department of Transportation and the California Air Resources Board, as well as from the companies’ reports.

Last week, GM, Ford and Chrysler asked Congress for a total of \$34 billion in loans, up from their previous request of \$25 billion.

“Faced with the current economic crisis, Congress can’t simply write blank checks,” said Hwang. “Any bailout must require the companies to end their opposition to California’s standards and meet higher federal fuel economy and emission standards. The solution to all of the automakers’ concerns— including their desire for a uniform national standard— is to adopt California's global warming standards nationwide.”

The key findings include:

- GM’s plan states that it will achieve 2012 fuel economy levels of 37.3 mpg and 27.5 mpg for their new car and light truck fleets, respectively. The projected GHG emission level would enable GM to comply with a national version of the California GHG standards in 2012. While GM does not provide 2015 fuel economy levels, if it simply matches Ford’s rate of improvement between 2012 and 2015 (as stated in Ford’s plan), GM would also easily meet the 2015 California GHG standards nationwide.
- Ford’s plan states that, compared to its 2005 baseline, it will improve the average fuel economy of its fleet by 26 percent by 2012, and by 36 percent by 2015. The projected GHG emission level would enable Ford to comply with a national version of the California GHG standards in 2015. In 2012, the Ford fleet average falls just 6 grams per

mile above compliance, a modest shortfall that Ford could make up by applying additional technologies, rebalancing their vehicle sales mix, or doing a combination of both.

- The Chrysler plan does not provide any fuel economy projections and consequently NRDC could not assess their compliance situation.

A copy of the analysis can be found at http://docs.nrdc.org/energy/ene_08120801.asp.

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The Natural Resources Defense Council is a national, nonprofit organization of scientists, lawyers and environmental specialists dedicated to protecting public health and the environment. Founded in 1970, NRDC has 1.2 million members and online activists, served from offices in New York, Washington, Chicago, Los Angeles, San Francisco and Beijing. More information on NRDC is available at its Web site: www.nrdc.org.