

Celebrating Progress

AND POTENTIAL FOR SAFER, SUSTAINABLE VEHICLES

SAE 2010 GOVERNMENT/INDUSTRY MEETING
JANUARY 26, 2010

Dave McCurdy, President & CEO, Alliance of
Automobile Manufacturers

AUTO ALLIANCE

DRIVING INNOVATION®

Our Strong Role in Economic Recovery

Automakers...

- Provide personal mobility – improving quality of life and connecting consumers to more products and markets.
- Are among the largest buyers of steel, aluminum, computer chips, textiles, plastics and more.

The greater auto industry generates:

- 8 million private sector jobs
- \$500 billion in annual compensation
- \$70 billion in personal tax revenues

Our many economic contributions rely upon comprehensive policy that preserves mobility and provides the right conditions for economic recovery. That includes clarity, predictability and long-term consistency.

Strong Federal Leadership

CLARITY CERTAINTY

LONG-RANGE

PREDICTABILITY

CONSISTENCY

THE CASE FOR **Strong, Clear Federal Leadership**

Ever-changing, conflicting policies from Washington, dozens of different regulatory authorities, including states, create policy uncertainty:

- Hampers economic recovery - business leaders unsure about Washington policies may fear investing in workers.
- Stifles innovation – engineers struggle with changing laws/conflicting regulations... derailing introduction efforts for new technologies.
- Creates detours and dead ends, slowing progress on shared goals.

The solution: clear, consistent, comprehensive policy from strong federal leadership.



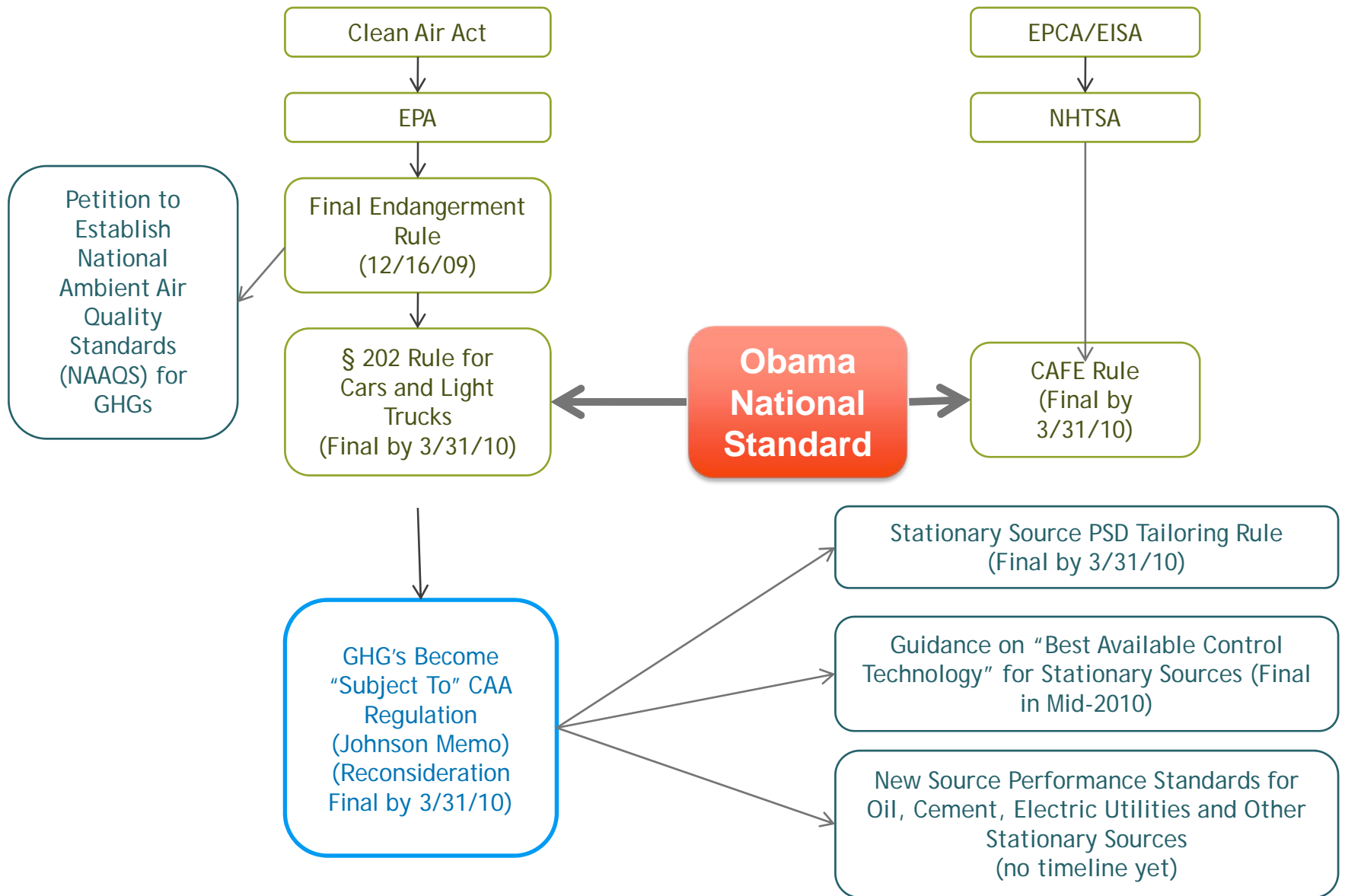
Our Role in Policy



Today's auto industry has a new vision for mobility and engages in policies that address our top priorities:

- 1st industry committing to significant CO₂ reductions... even during historic recession.
- Supported last year's Obama National Program to reduce CO₂ by 30% through 2016.
- Reinventing the automobile by developing alternative fuel autos.
- Working in support of auto child safety, a "texting while driving" ban and other policies enhancing road safety.

Impact of EPA Vehicle GHG Rulemaking



At the Regulatory Tipping Point



“There’s a law of diminishing returns for environmental regulation: As more specific rules are applied to ever smaller details, the negative consequences can outweigh the benefits. California air and energy regulators, whose pioneering methods of reducing pollution and greenhouse gases have made residents justifiably proud, are approaching that tipping point.”

LA Times editorial
November 8, 2009

Today, auto manufacturing faces a daunting regulatory landscape:

- 2000+ regulatory requirements apply to auto manufacturing. Each year, more regulations are proposed or developed. One recent safety regulation added about 50 new test requirements.
- 3 federal agencies, as well as 50 states, regulate autos—often with conflicting results.

**We need a
clear roadmap**

that supports our transformation
to a green economy.

A New Regulatory Roadmap

- A necessity: a single regulatory voice to avoid conflicting/counter-productive regulations.
- Avoid creating regulations in a policy vacuum...autos must meet many regulations, not a single, isolated one.
- Instead of picking technology winners and losers, set performance-based standards. The market – customers – should decide.
- Regulations should consider 5-10 year long product cycles.
- Develop regulations that support international harmonization of standards.



WE NEED FEDERAL LEADERSHIP TO MEET Pressing National Priorities

COMPREHENSIVE ENERGY POLICY

America lacks an energy policy encompassing a range of fuels. Alternative fuel autos need greater availability of diverse fuels from energy providers, and the transportation and energy infrastructure needs improvement. The Administration will need to promote all this through consistent long-term policies, incentives and regulations.

COMPREHENSIVE CLIMATE CHANGE POLICY

Economy-wide, market-driven approaches are most-efficient and cost-effective at meeting America's environmental and economic objectives. All sectors of the economy share responsibility for reducing GHGs.

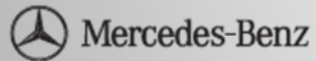
THE FUTURE IS NOW

Automakers are already designing for future years, so we urge the Administration to begin work immediately on a 2017 program that avoids piecemeal policymaking.

AUTO ALLIANCE

DRIVING INNOVATION®

BMW Group



PORSCHE

TOYOTA

VOLKSWAGEN
GROUP OF AMERICA