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April 30, 2010

Mr. Kevin Knobloch  
President  
Union of Concerned Scientists  
National Headquarters  
2 Brattle Square  
Cambridge, MA 02238-9105

Kevin,

I wanted to follow-up with you in response to the Union of Concerned Scientists' "Take Action Now!" initiative where you asked individuals to contact Bill Ford, Executive Chairman at Ford Motor Company, regarding Ford Motor Company's membership in the U.S. Chamber of Commerce. The initiative expresses concern over the Chamber's position on climate change that potentially conflicts with Ford Motor Company's position.

As you know, Ford Motor Company supports the call for prompt enactment of national legislation in the United States to slow, stop and reverse the growth of greenhouse gas emissions and we have re-iterated this publicly for some time. Earlier this year I wrote a blog for the Huffington Post that addresses our position on climate change and our membership in the U.S. Chamber of Commerce. Enclosed is a copy of the blog, and the link to the article is below:

[www.huffingtonpost.com/sue-cischke/fords-actions-speak-to-cl\\_b\\_424884.html](http://www.huffingtonpost.com/sue-cischke/fords-actions-speak-to-cl_b_424884.html)

I hope this helps to clarify our position with you. Ford remains committed to doing our part to achieve climate stabilization by improving the fuel economy of our vehicles globally, enabling them to operate on lower carbon fuels and supporting the development of climate legislation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sue", written in black ink.

Enclosure





## **Sue Cischke**

Group Vice President, Sustainability, Environment and Safety Engineering, Ford Motor Company

Posted: January 15, 2010 12:48 PM

## **Ford's Actions Speak to Climate Change Position**

The policy debate surrounding climate change intensified in 2009, particularly at the end of the year. The U.S. took an active role in the Copenhagen climate negotiations. Senator Cantwell introduced legislation that would cap greenhouse gases (GHG) and return revenues from the program back to U.S. citizens. Senators Kerry, Lieberman and Graham proposed a framework outlining principles for a comprehensive approach to climate and energy legislation. The EPA issued its endangerment finding determining that current and projected greenhouse gas concentrations in the atmosphere threaten public health and welfare, and the list goes on.

As many of you know, Ford has been one of the more supportive companies on climate policy for some time. In 1999 we kicked off our first corporate environmental report where we discussed greenhouse gases. In late 2005, we published a special report on the Business Impacts of Climate Change and in 2007 we joined the United States Climate Action Partnership (USCAP) to support the prompt enactment of climate legislation. As an automaker, engaging on climate change is important, because fuel economy and CO<sub>2</sub> emissions are one and the same. In vehicles, the less petroleum you use, the less CO<sub>2</sub> is emitted into the atmosphere.

Regulations governing vehicle fuel economy and emissions have been around since the 1970s. Last year the Administration reached an agreement establishing a single national program for vehicle fuel economy and GHG emissions through 2016. Ford supported the One National Program and is encouraging measures to ensure that this inclusive national approach for vehicle fuel economy and GHG emissions continues beyond 2016.

This experience, as well our activity in carbon markets globally, has helped to shape Ford's position on climate policy - we believe we need a national, market-based approach to reducing GHG emissions if the U.S. is going to reduce emissions at the lowest cost per ton. Thus, we support the creation of an efficient, economy-wide cap-and-trade framework with mechanisms to avoid unintended adverse effects on the economy. An economy-wide cap-and-trade program would provide flexibility to regulated entities while allowing market mechanisms to determine where GHG reductions can be achieved at the lowest cost. The environment doesn't care where reductions occur, but the economy does and given the potentially high cost of abatement, it is important to achieve the lowest cost possible.

Ford has been criticized for taking this position. On one side of the argument, some stakeholders do not think Ford should be supporting climate legislation and question our membership in groups like USCAP. To those we say that without a cohesive national energy and climate policy that places a price on carbon, we could be caught in a cycle of starting and stopping technology development. That is simply not good policy or good business, particularly when the technology development requires billions of dollars of investment.

On the other side are stakeholders who urge Ford to be more aggressive and want us to drop out of groups like the U.S. Chamber of Commerce which may have views and actions on climate change that potentially conflict with Ford's position. To them we say that despite differences on this specific issue, Ford has not changed our position on climate change.

It should be noted that the Chamber has been a critical ally on a broad range of other business and environmental issues important to Ford and the global auto industry, including the One National Program, vehicle scrappage program, trade issues, anti-counterfeiting parts actions and legal reforms. It is important to our business, our customers and other stakeholders that we remain a member of the Chamber.

Yet, at the end of the day, Ford will always speak with its own voice. We will do so on climate change (and other issues, for that matter) where it is essential to our business that we articulate our position separately from that of any association of which we are a member.

We also like to think that actions on climate change speak louder than any report or advertisement or even this blog.

Ford spent several years developing CO2 reduction models and studying a range of potential scenarios addressing how light-duty transport might contribute to holding global temperatures below 2 degrees Celsius change via meeting 450 to 550 ppm stabilization pathways. The scenarios looked across a range of conditions and assumptions related to vehicle technologies, baseline fuels, biofuels, electricity usage costs and consumers. And while the models aren't intended to provide "the answer," they do help shape our technology choices for our product strategy.

The result is that we have a product plan - linked to the science of climate change - that will deliver the reductions in vehicle CO2 emissions required to contribute to stabilization. We have publicly committed to a 30 percent reduction in CO2 emissions in our vehicles by 2020. And we are already well into delivering on our plan. Over the next few years, Ford is investing nearly \$14 billion in advanced technology vehicles in the U.S. alone.

At the end of the day, we believe our position on climate change is very clear. You know it by our actions. You see it in our commitment to reduce the CO2 emissions from both our products and facilities. Bottom line - we are doing what's right for our customers and the environment.