

DAIMLERCHRYSLER



General Motors

June 28, 2006

Dear Member of Congress:

When we met with leaders in Washington last month, we were encouraged to find deep, bipartisan determination to address the far reaching impact of our nation's growing dependence on foreign oil. As we reiterated last month, we believe renewable fuels can play an important role in addressing this national problem. The good news is that ethanol and other biofuels are well known to our country and to the U.S. auto industry. For decades, farmers in the heartland have been turning corn into fuel, and, likewise, we at DaimlerChrysler, Ford, and General Motors have been building flexible vehicles that run on ethanol.

Today, there are more than 5 million flexible fuel vehicles on the road, and the three domestic automotive companies will add an additional million cars and trucks this year alone. If all of these vehicles were running on E85, they would displace more than 3.5 billion gallons of gasoline a year, or a full year of gas consumption in a state such as Missouri or Tennessee.

But we are prepared to do more. We are proud to announce that we will double our production of vehicles that are capable of running on renewable fuels by 2010. That's more than two million E85 and biodiesel capable vehicles a year by the end of the decade – the single largest commitment to renewable fuels in our nation's history.

Our hope is that with this commitment, fuel providers will have even more incentive to produce ethanol and other biofuels and install pumps to distribute them. Without this alternative fuel infrastructure, we will still be missing the opportunity to displace gasoline supplies in the U.S. with home grown and produced biofuels. Right now, there are 170,000 gas stations in the United States, but only about 700 E85 pumps. We need business and government to work together to enhance the production, distribution and use of renewable biofuels.

We in the domestic auto industry are doing our part. Last month, our companies endorsed the Energy Future Coalition's goal of getting 25 percent of the country's energy from renewable sources by 2025. In addition, we have taken the following steps:

- DaimlerChrysler has committed to produce 500,000 FFVs by the end of the 2008 model year and has endorsed the use of federal and military specification B20 in Dodge diesel trucks in fleet applications.
- Ford, in addition to consumer awareness programs and marketing campaigns, entered into a partnership with VeraSun, the second largest ethanol producer in the U.S., to assist in funding of retail fuel outlets for the nation's first "Ethanol Corridor" across Missouri and Illinois --

increasing the E85 infrastructure in these states by about a third. The Corridor will allow an FFV driver to travel from Kansas City, MO to Chicago, IL using only E85.

- General Motors, by the end of this year, will have created partnerships in California, South Dakota, Minnesota, Illinois, Indiana, Michigan, and Texas with oil companies, ethanol suppliers and distribution outlets that will add more than 140 new E85 pumps to the approximately 700 already in service, and we are educating the consumer with our Live Green, Go Yellow advertising campaign and website.

Vehicles alone will not get the job done. To capitalize on this commitment, Congress and the Administration need to continue to promote the production of biofuels, increase incentives for refueling infrastructure and continue incentives for automakers to produce biofuel vehicles. Eventually, we need to get to the point where most Americans have reasonable access to these fuels at a price that is competitive with gasoline.

We look forward to working with you on the steps necessary to make this challenge a reality for America.

Sincerely,

Thomas W. LaSorda  
President and CEO  
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William Clay Ford, Jr.  
Chairman and CEO  
Ford Motor Company

G. Richard Wagoner, Jr.  
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