

Message

From: Forman Matthew (FCA) [matthew.forman@fcagroup.com]
Sent: 5/21/2018 4:42:22 PM
To: Wehrum, Bill [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=33d96ae800cf43a3911d94a7130b6c41-Wehrum, Wil]
Subject: CAFE/GHG Standards Update
Attachments: ATT00001.txt

Bill:

This week the Auto Alliance's Board is meeting separately with Mary Nichols and the Trump Administration, and in advance of those meetings, we just wanted to clarify that FCA remains exactly where we were when we last came to see you.

Mr. Marchionne's comments to the press before and after the meeting with the President reinforce what we said to you when we met in person previously:

- The U.S. auto market has changed significantly from where anyone thought it would be in 2012, and thus the Obama standards must be revised.
- FCA supports a national program. As Mr. Marchionne stated, President Trump has proven to be a "consummate deal maker" and we will give the Administration room to negotiate. We also recognize that a negotiation is a two-way street and California will have to come to the table and that we are at the beginning of the negotiation. We are not "panicked" that there is not a deal today and likely will not be one for some time.

We likely would not have scheduled the Wednesday meetings – we are concerned about the industry giving the appearance of prematurely inserting itself into a negotiation where we are a very important stakeholder but not actually a party at the table. But the others do not share that concern.

So we will support having the same conversation with Mary Nichols as our CEOs had with the President and his senior advisors – high level principles describing the industry's position to the extent there is consensus. We expect that some of our competitors may try to take a different approach, so we want to say up front that any assertions that the "industry" supports a particular pathway (beyond what you heard directly on May 11) do not represent a consensus view that FCA is prepared to support at this time.

Thank you and hope all is well.

Matt



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