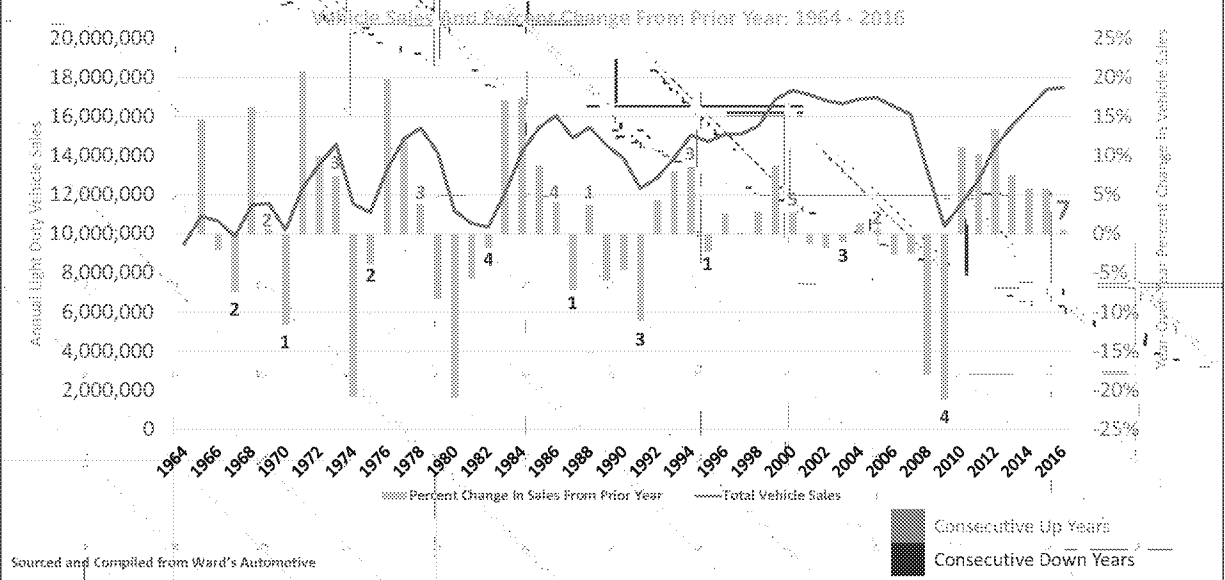


Meeting with EPA Administrator Scott Pruitt

AGENDA

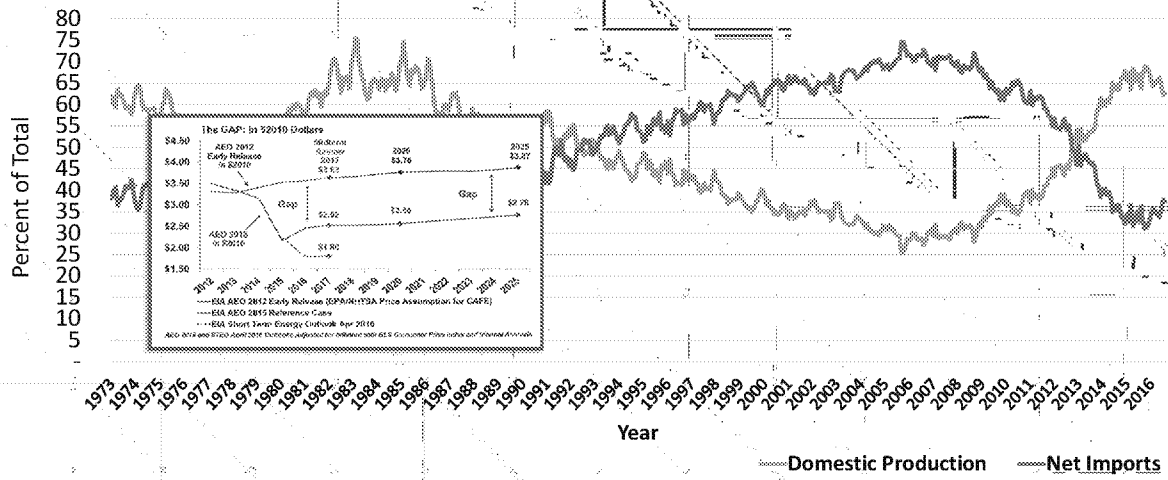
- | | |
|------------------------|------------------------------|
| 1. Welcome | Administrator Pruitt |
| 2. Introduction | Dietmar Exler |
| 3. Situation Review | Mitch Bainwol |
| 4. GHG / Harmonization | Ludwig Willisch / Dan Turton |
| 5. ZEV | Bob Carter |

Seven Years of Growth Historic - But Leveling Off



Price of Gas Way Below Original Projections

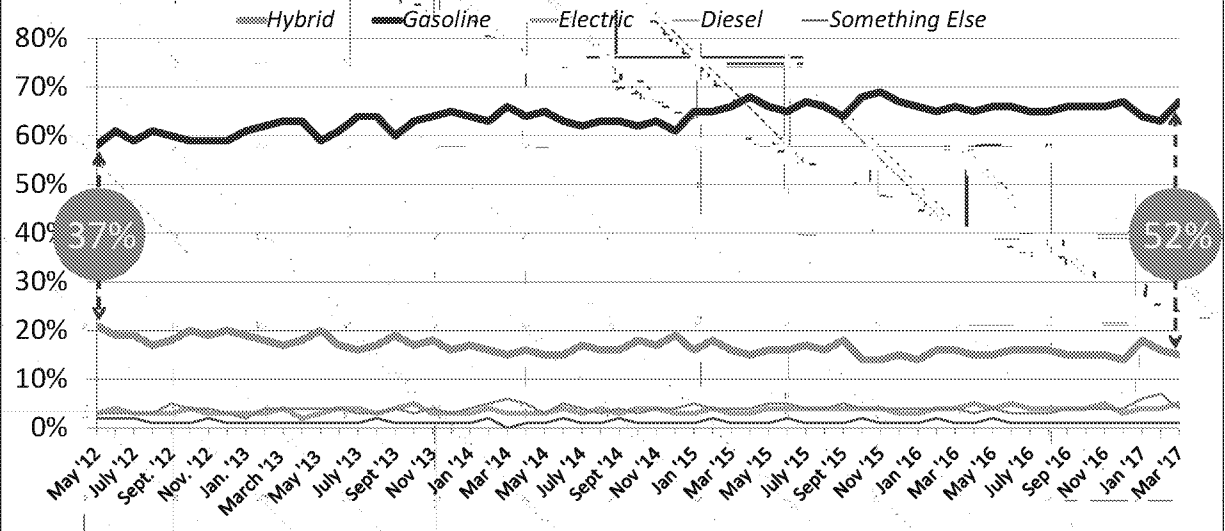
U.S. Crude Oil Production vs. Net Imports (Thousand Barrels per Day)



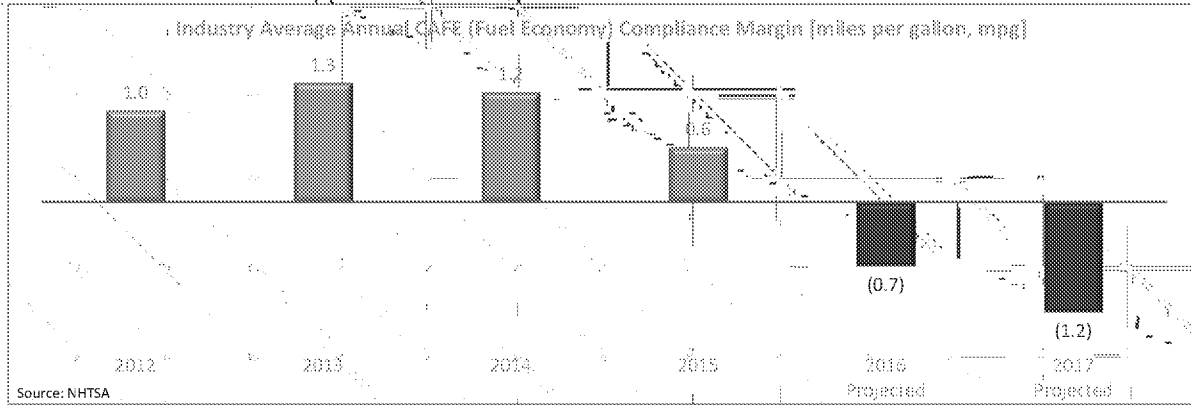
Source: EIA 2016

Low Gas \$ + Early CAFE = Impact on Consumers

What Type of Engine Will Your Next Vehicle Most Likely Be Powered By?



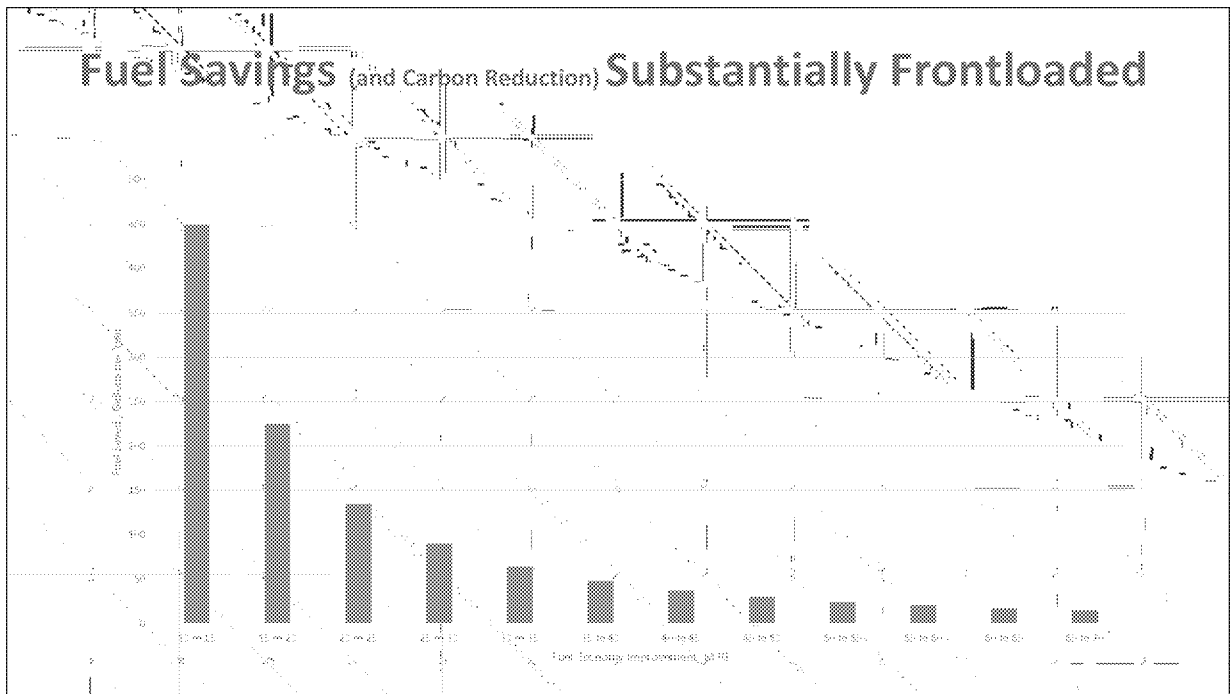
Compliance Trend Contradicts Theory



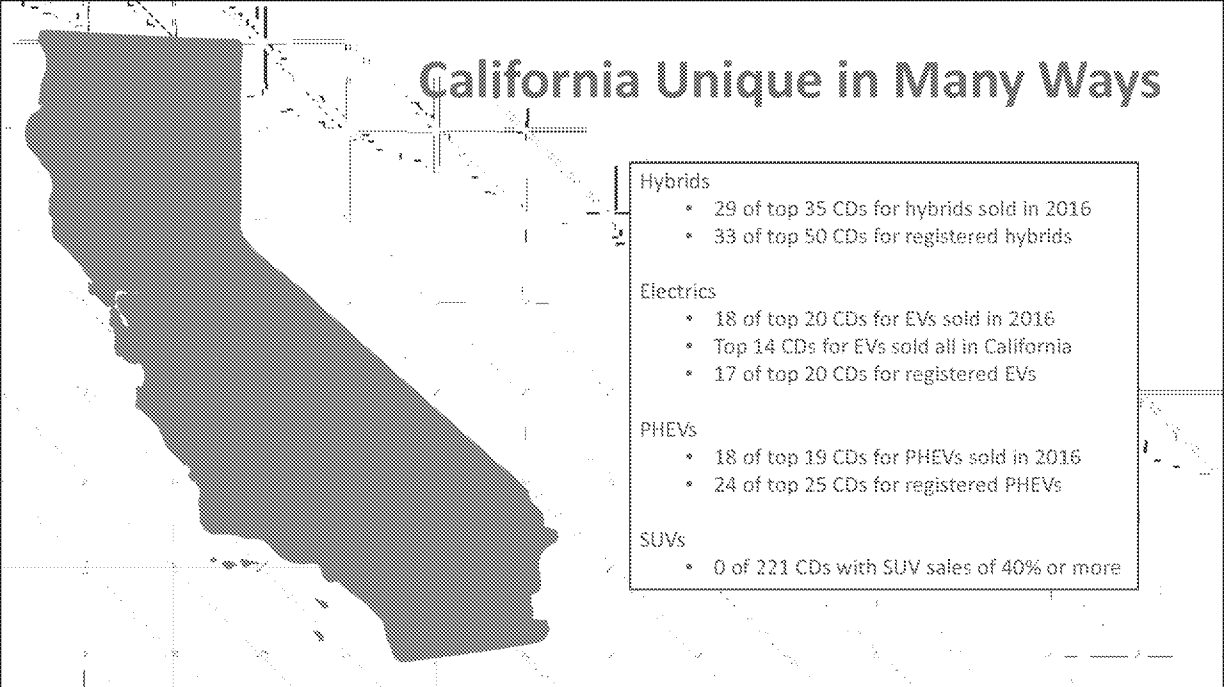
Similar trends are observed for CAFE (fuel economy) compliance

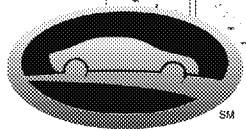
- Between 2012 and 2014, manufacturers averaged 1.0 to 1.3 miles per gallon (mpg) better fuel economy than their standards
- In 2015, this compliance margin dropped in half to 0.6 mpg
- NHTSA projects that manufacturers on average will fail to meet the CAFE standards in 2016 and 2017

Fuel Savings (and Carbon Reduction) Substantially Frontloaded



California Unique in Many Ways





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