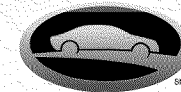
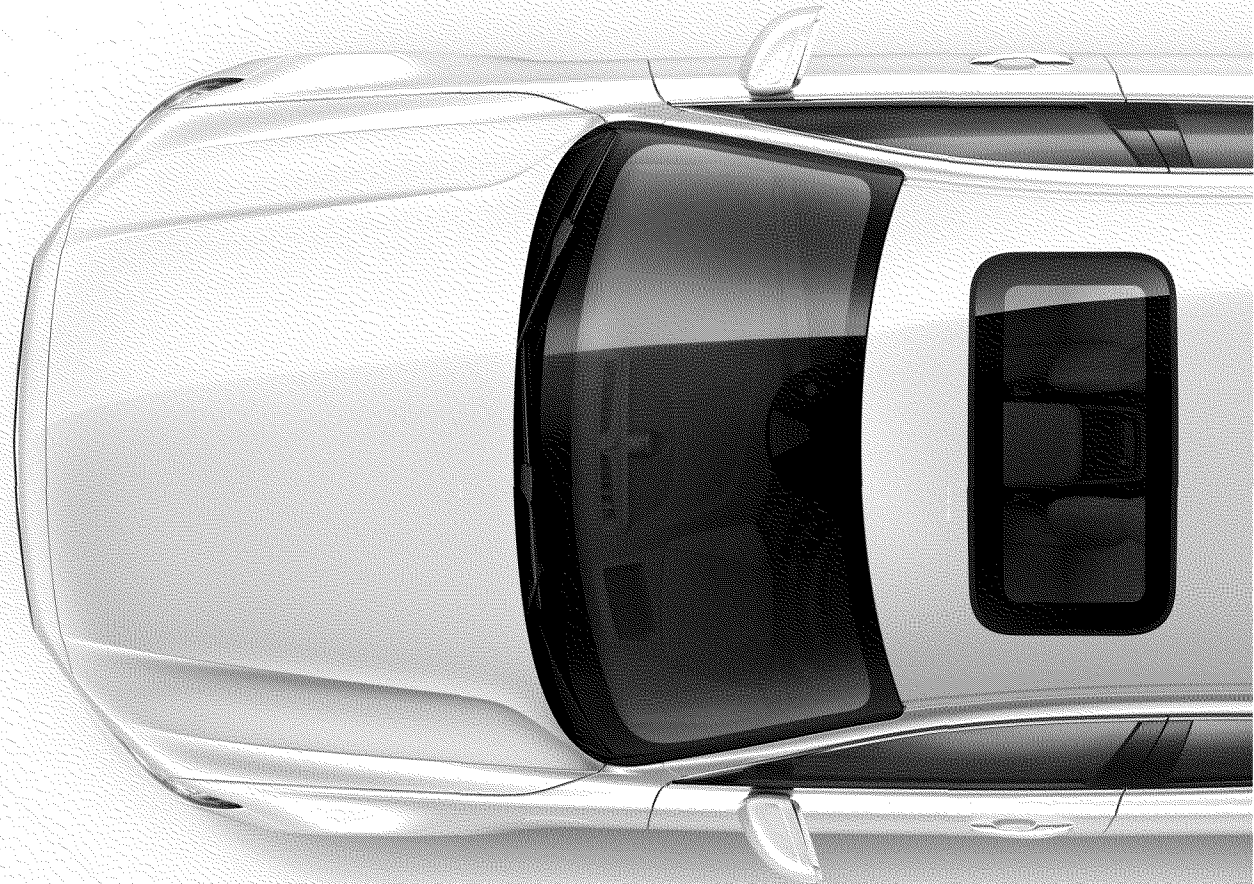


# Alliance Board

April 27, 2017

---



**AUTO ALLIANCE**  
DRIVING INNOVATION®

# Meeting with EPA Administrator Scott Pruitt

## AGENDA

1. Welcome
2. Introduction
3. Situation Review
4. GHG / Harmonization
5. ZEV

Administrator Pruitt

Dietmar Exler – **Mercedes-Benz**

Mitch Bainwol – **Auto Alliance**

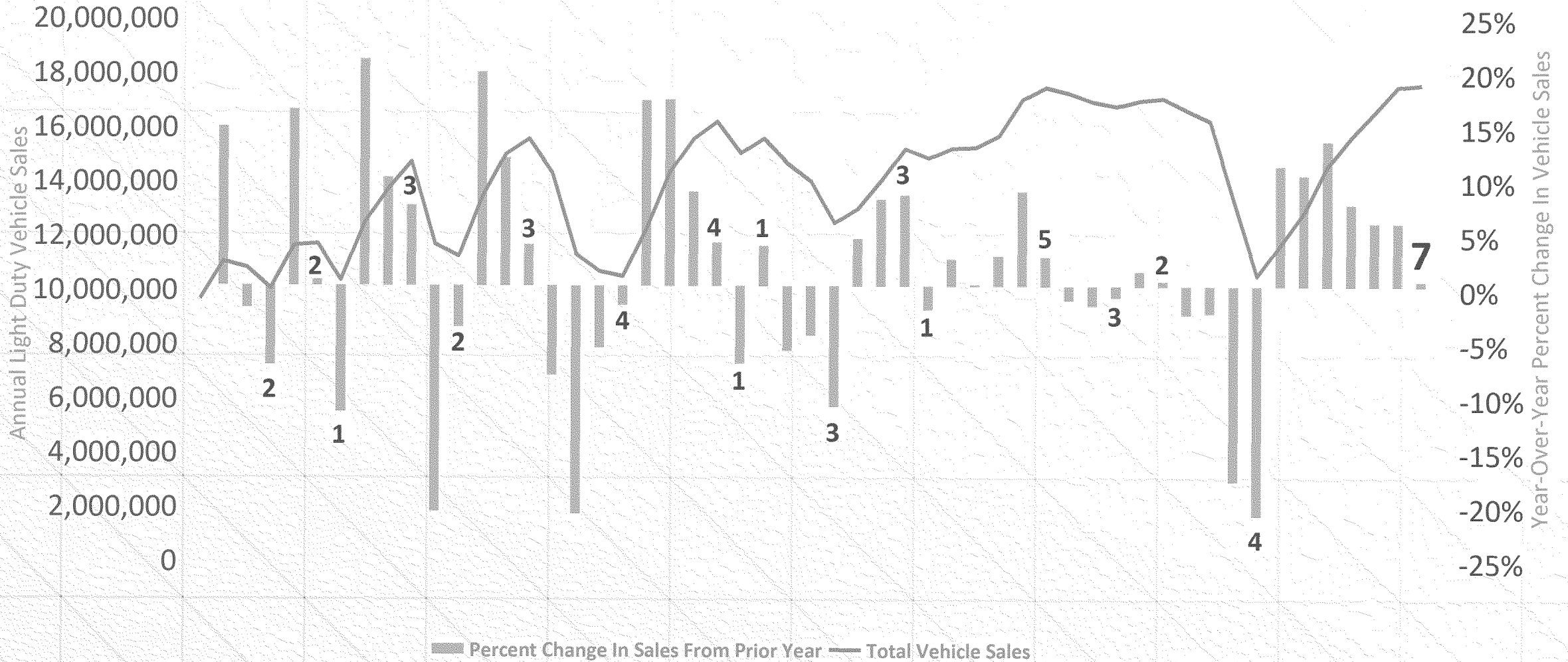
Ludwig Willisch / Dan Turton

**BMW / GM**

Dietmar Exler – **Mercedes-Benz**

# Seven Years of Growth Historic - But Leveling Off

Vehicle Sales And Percent Change From Prior Year: 1964 - 2016

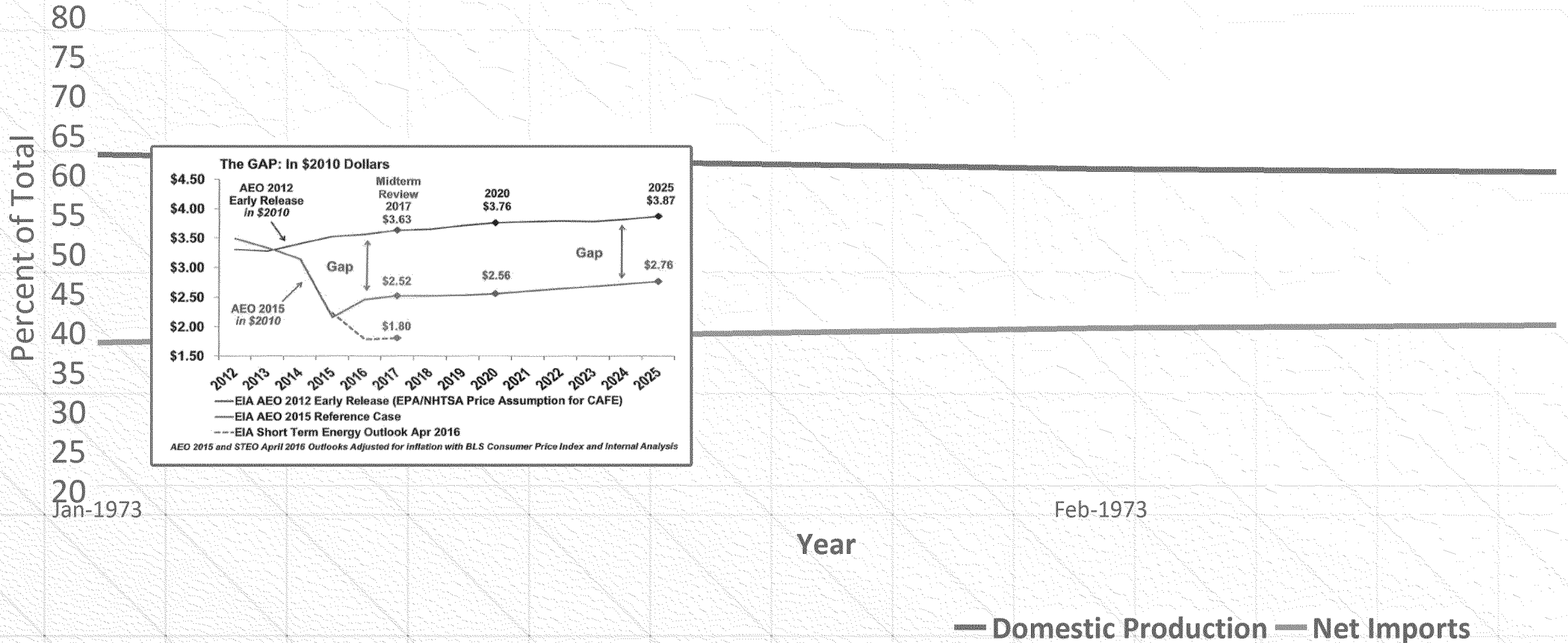


	Consecutive Up Years
	Consecutive Down Years

Sourced and Compiled from Ward's Automotive

# Price of Gas Way Below Original Projections

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

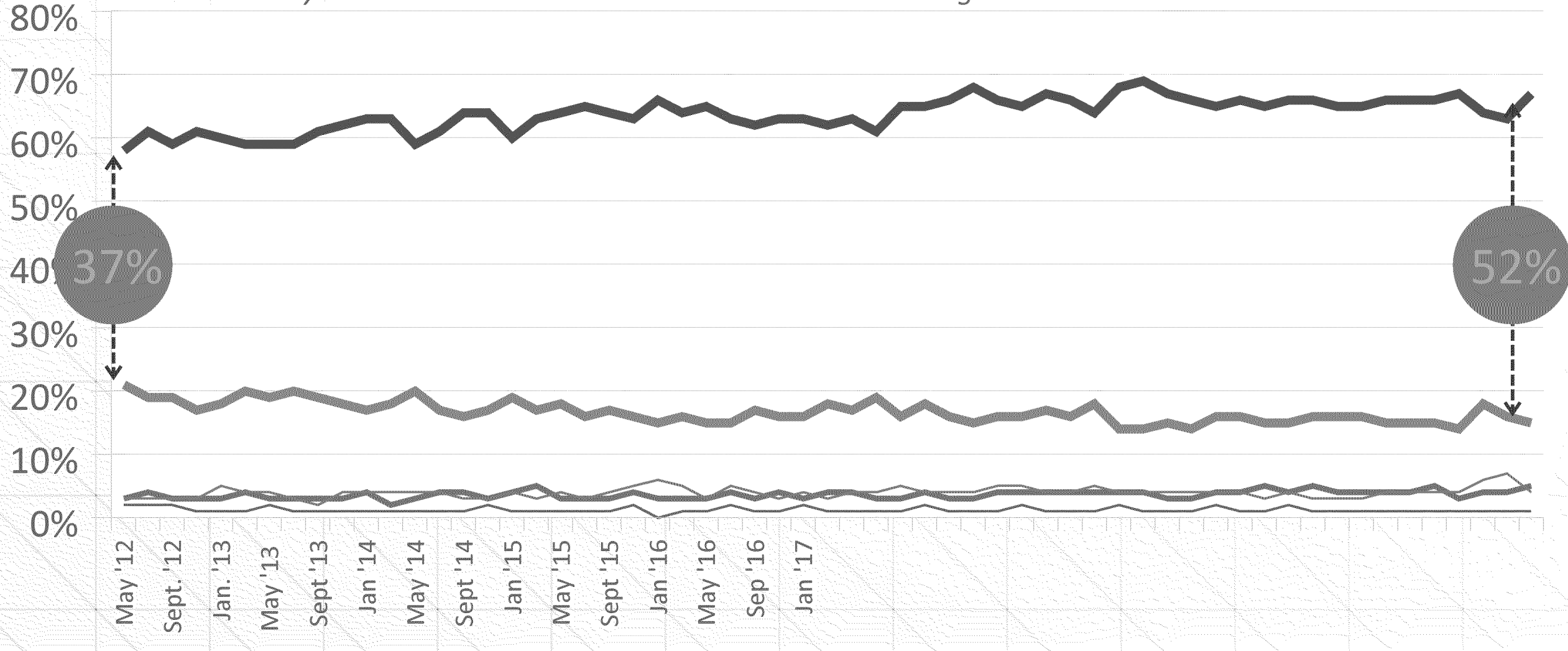


Source: EIA 2016

# Low Gas \$ + Early CAFE = Impact on Consumers

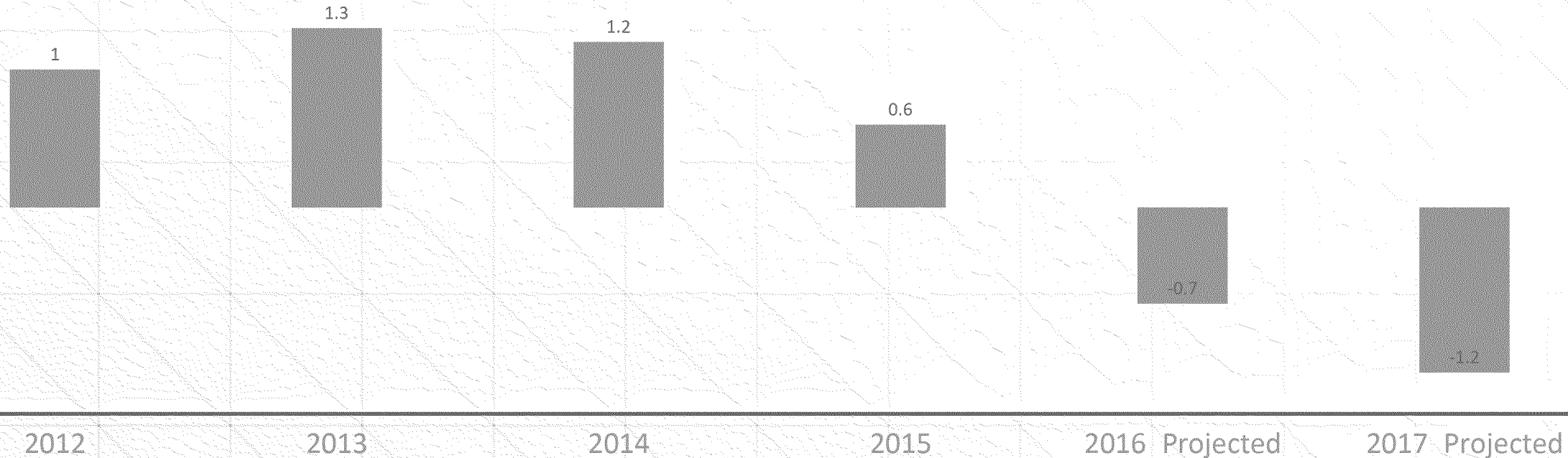
## What Type of Engine Will Your Next Vehicle Most Likely Be Powered By?

■ Hybrid ■ Gasoline ■ Electric ■ Diesel ■ Something Else



# Compliance Trend Contradicts Theory

Industry Average Annual CAFE (Fuel Economy) Compliance Margin [miles per gallon, mpg]

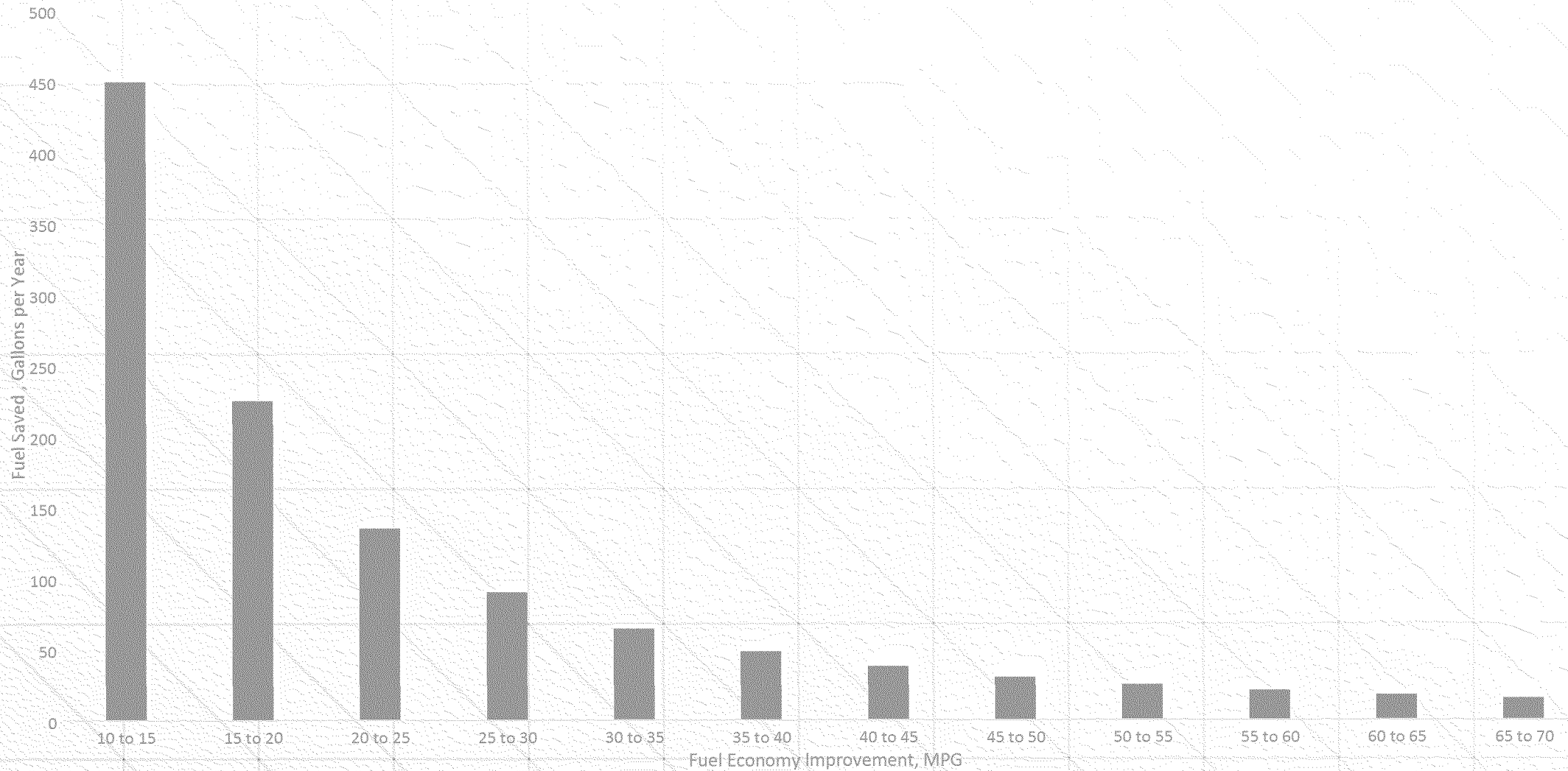


Source: NHTSA

## 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

## Hybrids

- 29 of top 35 CDs for hybrids sold in 2016
- 33 of top 50 CDs for registered hybrids

## Electrics

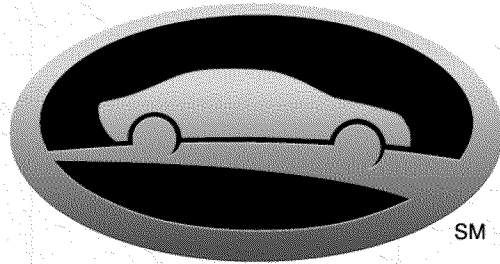
- 18 of top 20 CDs for EVs sold in 2016
- Top 14 CDs for EVs sold all in California
- 17 of top 20 CDs for registered EVs

## PHEVs

- 18 of top 19 CDs for PHEVs sold in 2016
- 24 of top 25 CDs for registered PHEVs

## SUVs

- 0 of 221 CDs with SUV sales of 40% or more

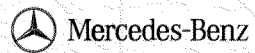


# AUTO ALLIANCE

DRIVING INNOVATION®

BMW Group

FCA  
FIAT CHRYSLER AUTOMOBILES



PORSCHE

TOYOTA

VOLKSWAGEN  
GROUP OF AMERICA

