

Clean Diesel On The Move

“Jeep® Grand Cherokee EcoDiesel Named 2015 Green SUV of the Year™ by Green Car Journal” January 22, 2015



Chattanooga's Passat Wins Cars.com Eco-Friendly Car Of The Year
Cars.com has awarded the 2015 Volkswagen Passat TDI clean diesel Eco-Friendly Car of the year” Friday, January 16, 2015

“2015 Winner: Ram 3.0L EcoDiesel DOHC V-6 2015 Ward's 10 Best Engines
The Ram 1500 wins for being the first modern light-duty diesel in a fullsize pickup, whose work cycle is well suited for torque-rich combustion ignition. Filling this gaping hole in the segment clearly has paid off for Chrysler.” Jan 2, 2015



 Truckinginfo

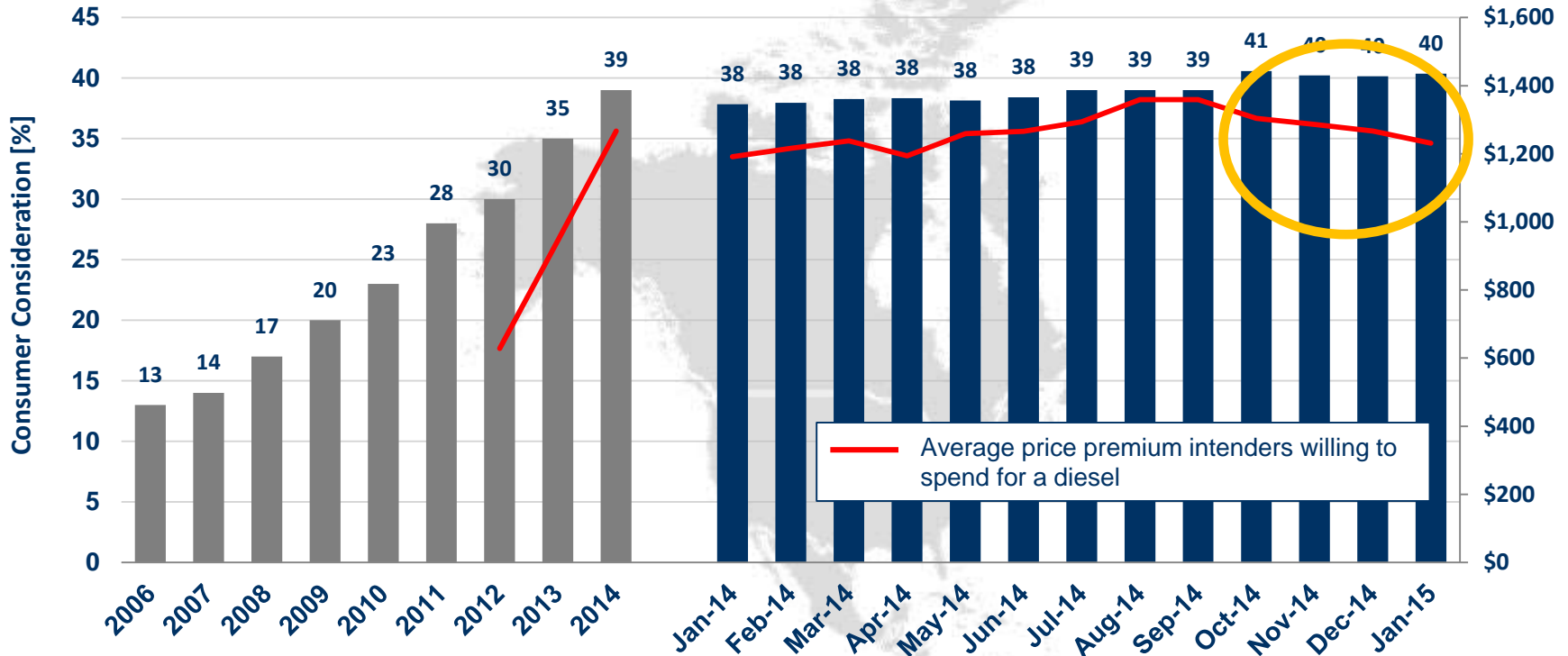
“The U.S. Environmental Protection Agency estimates that America could save up to **1.4 million barrels of oil per day** – an amount equivalent to the oil we currently import from Saudi Arabia – if one-third of U.S. cars, pickup trucks and SUVs were diesel-powered.” October 10, 2014

“GM’s vice president of global powertrain, said *diesels in cars and light trucks could grow to 10 percent of the market in the United States by 2020*”
August 5, 2014

Automotive News

Consumer Consideration Index






































Consumers Considering Diesel



Source: CNW Research

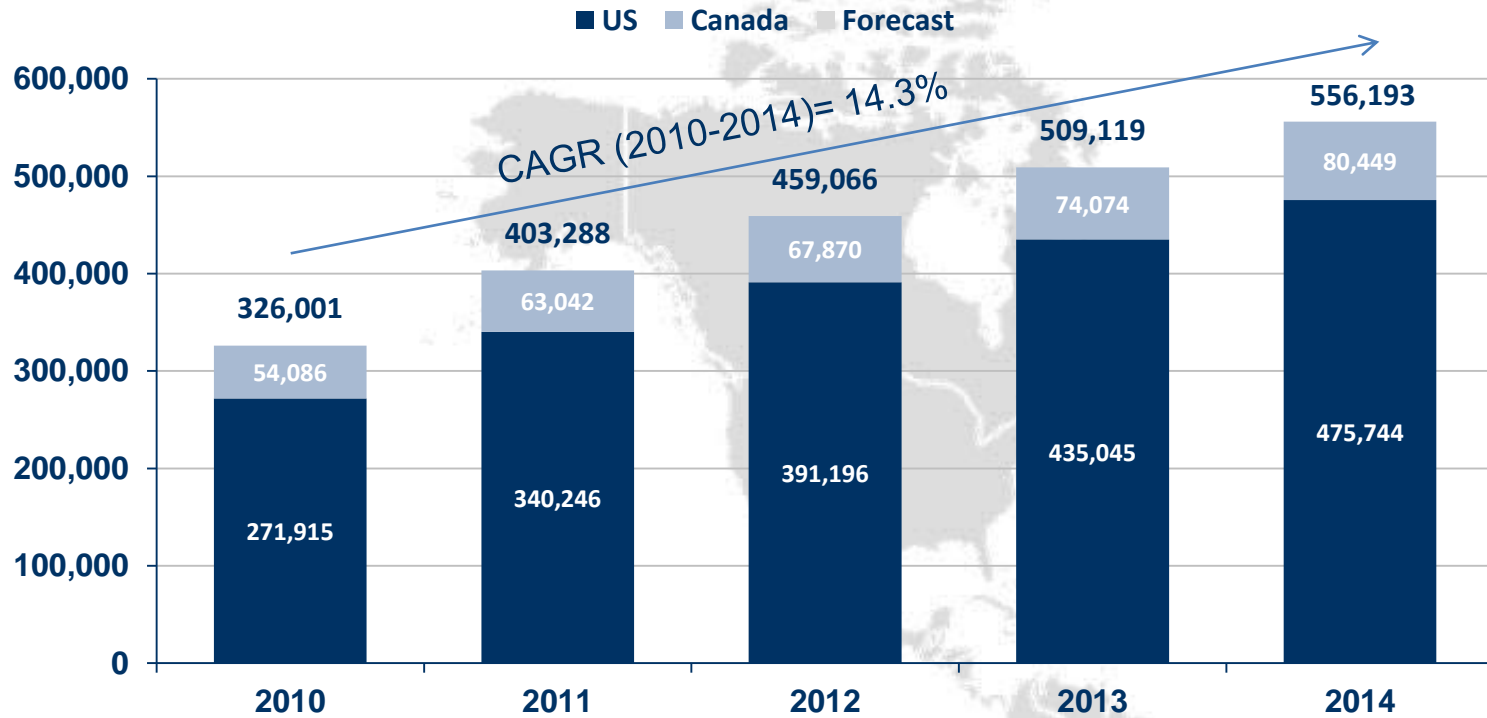
Over the past five years the number of consumers considering Clean Diesel has nearly doubled!

U.S. Clean Diesel Vehicle Launch Calendar

	Currently Available			2015	2016	≥2017
PC	<ul style="list-style-type: none"> Audi A6 Audi A7 Audi A8 BMW 328d BMW 328d Sports Wagon BMW 535d Chevy Cruze (2.0l) 	<ul style="list-style-type: none"> Mercedes E 250 VW Beetle VW Beetle Convertible VW Golf VW Jetta VW Jetta Sportwagen VW Passat 	<ul style="list-style-type: none"> Audi A3 Sedan BMW 7 Series 	<ul style="list-style-type: none"> Audi A3 Sportback Audi A4 Mercedes C 200 	<ul style="list-style-type: none"> Mazda 6 	     
SUV	<ul style="list-style-type: none"> Audi Q5 Audi Q7 BMW X5 Jeep Grand Cherokee Mercedes GL 350 Mercedes GLK 250 	<ul style="list-style-type: none"> Mercedes ML 350 Porsche Cayenne VW Touareg 	<ul style="list-style-type: none"> BMW X3 Mercedes ML 250 	<ul style="list-style-type: none"> Porsche Macan Range Rover Range Rover Sport 	  	           
Truck/Van	<ul style="list-style-type: none"> Chevy Silverado 2500 Chevy Silverado 3500 Chevy Express 2500 Chevy Express 3500 Ford F-250 Ford F-350 GMC Savanna 2500 GMC Savanna 3500 	<ul style="list-style-type: none"> GMC Sierra 2500 GMC Sierra 3500 Mercedes Sprinter (2.1L) Mercedes Sprinter (3.0L) Ram 2500 Ram 3500 	<ul style="list-style-type: none"> Ford Transit Ram 1500 Ram ProMaster 	<ul style="list-style-type: none"> Nissan Titan 	<ul style="list-style-type: none"> Chevy Colorado GMC Canyon    	         
FC Models Available	44			52	62	87

Diesel Registrations

New Diesel registrations *outpaced the market* from 2010 through 2014



Total market growth from 2010 through 2014: CAGR of 9%

Note: Total (class 1-3) registrations

Fuel Taxes

The Problem: Declining Highway Trust Fund Fuel Tax Revenue

- Fuel tax revenues from light duty vehicles to the HTF are expected to be reduced by \$2.8b/yr by 2025
- Annual reduction of almost 15b gallons of vehicle fuel consumption by 2025
- Number of miles traveled (VMT) will increase by 15% by 2025 and the number of vehicles in operation (VIO) will increase 12%.
- Gasoline tax is \$.184/gallon and diesel tax is \$.244/gallon. An increasing number of vehicles pay nothing for the use of roads and highways.
- Annual HTF outlays will exceed revenues by \$10 - \$13 billion through 2023. Even if fuel taxes are raised to stabilize the Highway Trust Fund in the short term, the revenue source of the past will prove unstable and insufficient in the decades ahead.

Fuel Taxes

Fuel Tax Parity Based on Energy Content

- Currently, several fuels like diesel, ethanol, and other biofuels are taxed at a higher energy content rate than gasoline and other fuels. The taxes paid on a gallon of gasoline are lower than for other fuels based on how far a vehicle will travel on an equivalent gallon.
- Recently, some Members of Congress have backed a proposal that would bring fuel tax parity only to liquid natural gas (LNG) and propane gas.
- There are over 7 million diesel cars and light trucks on the road today paying a diesel fuel tax penalty every time they fill up at the pump.
- There is no policy justification for taxing diesel fuel at a disproportionate rate. The additional rate was solely based on the premise of heavy duty trucks pay more for the weight of their vehicle.

Other Issues

- Technology Neutral Policies
 - CAFE/mid-term review
- Vehicle Labeling Accuracy

QUESTIONS?

THANK YOU FOR ATTENDING TODAY!