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AIAM STATEMENT ON FINAL EPA DECISION DENYING CALIFORNIA WAIVER

ARLINGTON, VA., February 29, 2008— Statement by Michael J. Stanton, President and CEO of the Association of International Automobile Manufacturers (AIAM), on today's decision by the Environmental Protection Agency (EPA) to deny California's request for a waiver to implement California's greenhouse gas regulations:

“AIAM agrees with and supports EPA's decision to deny California's application for a waiver of preemption. We believe the federal government, not states, should establish and enforce one national regulatory standard for reducing greenhouse gas emissions from motor vehicles.

“This is not a question of whether to require significant reductions of greenhouse gas emissions from automobiles and light trucks. AIAM and its members have always supported this goal and believe that the auto industry must do its part to address the critically important national and international issue of climate change. Rather, it is focused on only one issue - *who* should set those standards. AIAM believes, like EPA, that it is the federal government that should set those standards.”

(For further details about AIAM's position on this issue, please refer to the attached AIAM Background Paper In Support Of Final EPA Decision Denying California Waiver.)

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About AIAM – The Association of International Automobile Manufacturers, Inc. (AIAM) is a trade association representing 14 international motor vehicle manufacturers who account for 40 percent of all passenger cars and light trucks sold annually in the United States. AIAM provides members with information, analysis and advocacy on a wide variety of legislative and regulatory issues impacting the auto sector. AIAM is dedicated to the promotion of free trade and to policies that enhance motor vehicle safety and the protection of the environment. Member companies include Aston Martin, Ferrari/Maserati, Honda, Hyundai, Isuzu, Kia, Mitsubishi, Nissan, Peugeot, Renault, Subaru, Suzuki and Toyota. For more information, visit our website at www.aiam.org.

AIAM BACKGROUND PAPER IN SUPPORT OF FINAL EPA DECISION DENYING CALIFORNIA WAIVER

(February 29, 2008) Today the Environmental Protection Agency published its written decision denying California's request to allow it to implement its own greenhouse gas emission standards for motor vehicles. The Association of International Automobile Manufacturers, Inc. (AIAM) supports EPA's position. We believe that the best way to reduce greenhouse gas emissions from automobiles and light trucks is to establish one federal regulatory standard throughout the United States.

AIAM has long supported efforts to reduce greenhouse gas emissions and improve fuel economy. We were one of the most vocal supporters of the Energy Independence and Security Act of 2007, which imposes an overall interim fleet standard of at least 35 miles per gallon (mpg) by 2020 – an increase in fuel economy of 40% or more – and the 'maximum feasible' level fuel economy by 2030. AIAM members are committed to doing their part to meet or voluntarily exceed these standards as our companies introduce new technologies. In addition, AIAM members will continue to be among the leaders in all industries in reducing the carbon footprint of their products 'from concept to consumer,' spearheading innovations in efficient, environmentally-friendly manufacturing, distribution and business processes. Accordingly, AIAM's support of EPA does not in any way detract from our commitment to reduce greenhouse gas emissions and otherwise address climate change concerns.

It is important to note that this is the first time in the history of our organization that we have opposed a request for a waiver from California. However, all previous California waiver regulations addressed tailpipe emissions that cause direct and geographically localized air pollution. In contrast, for the first time, California is now attempting to regulate greenhouse gas emissions that cause not local, but global, harm.

AIAM believes firmly that the auto industry must do its part to address the critically important national and international issue of reducing greenhouse gas emissions to mitigate climate change. However, we must do so in a sensible and efficient manner that preserves national uniformity in this important federal regulatory area.

