

April 16, 2018

Mr. William Ford
Executive Chairman
Ford Motor Company
1 American Road
Dearborn, MI 48126

Mr. Jim Hackett
President and Chief Executive Officer
Ford Motor Company
1 American Road
Dearborn, MI 48126

Dear Mr. Ford and Mr. Hackett,

As long-term investors with \$1.157 trillion in assets under management and under advisement, we believe that the mitigation of climate change is essential to safeguarding our investments. Accordingly, we are writing to voice our concern that the Alliance of Automobile Manufacturers' (the Alliance) stance on climate change and efforts to weaken the CAFE standards are at odds with Ford's public positioning on climate change.

We are particularly alarmed by the February 2018 comments submitted to NHTSA's administrative record by the Alliance on behalf of its members. In [these comments](#), the Alliance selectively cited quotes from articles on climate modeling in order to cast doubt on their conclusions; their interpretation was soundly refuted by the authors of those articles in a recent New York Times [article](#). We are also concerned about the comments questioning established science on the link between tailpipe emissions and mortality. Given the urgency of addressing climate change, Ford and the automotive industry need to move beyond climate denial and take concrete action in order to meet goals to mitigate climate change. Maintaining or strengthening the existing greenhouse gas emissions (GHG) standards is key to meeting these goals. The Alliance's narrative is counter-productive and does not advance an informed discourse on the issues.

The acceleration of climate change necessitates additional GHG emissions reductions beyond current regulatory requirements. A recent University of Michigan [study](#) found that the U.S. automotive sector cannot meet climate targets without taking additional action, at least between 2023-2027, that goes beyond the current federal fuel economy (CAFE)/GHG emissions standards.¹ Further, the study found that industry abatement costs will increase sharply every year after 2020. Given the urgent need for additional near-term reductions from the automotive sector, and the financial implications of delay, we believe that the efforts of the Auto Alliance to weaken the current CAFE standards for 2021-2025, are short sighted and troubling. We are particularly concerned that weakened standards will undermine Ford's global competitiveness as the rest of the world moves toward cleaner vehicles.

Membership and leadership in trade associations requires responsible and engaged involvement, not unlike the responsibility that Ford takes for its supply chain. We note that an increasing number of companies evaluate every trade association membership in an annual review to assess the value of the membership compared to the dues paid. When the Alliance works to oppose vitally important climate regulations and takes positions seemingly contradictory to both auto leaders' climate policies and positions, as well as evolving

¹ The authors found that including additional real-world factors, such as any delays or costs such as those that may arise from production ramp-up, or policy enforcement, which would further increase costs and reduce the climate action time frame.

business models, it is important to speak out publicly and vigorously to set the record straight. Ford's continued involvement in and financial support for the Alliance puts its reputation at risk. We ask that Ford call on the Alliance to end its lobbying and public advocacy that questions climate science, and to urge other members of the Alliance to join you in this call.

Finally, we urge you to publicly express opposition to changes to the standards that would lead to increases in GHG emissions, as well as to any efforts to undermine California's authority.

Please contact Patrick Doherty at PDoherty@osc.state.ny.us to set up a meeting to discuss this critical issue. Thank you.

Sincerely,

New York State Comptroller Thomas P. DiNapoli
Local Authority Pension Fund Forum
Actiam
Hermes EOS
Connecticut State Treasurer Denise L. Nappier, Connecticut Retirement Plans and Trust Funds
Shareholder Association for Research and Education (SHARE)
Impax Investment
Calvert Research and Management
Committee on Mission Responsibility Through Investment of the Presbyterian Church U.S.A.
Dignity Health
Miller/Howard Investments, Inc.
NEI Investments
Pax World Funds
Walden Asset Management
Mercy Investment Services
Zevin Asset Management, LLC
Unitarian Universalist Association
Felician Sisters of North America
The Nathan Cummings Foundation
Sisters of the Holy Cross
Priests of the Sacred Heart, US Province
Sisters of St. Francis of Philadelphia
Sierra Club Foundation
Seventh Generation Interfaith Inc.
As You Sow
Tri-State Coalition for Responsible Investment
Adrian Dominican Sisters Portfolio Advisory Board
Congregation of St. Joseph
Daughters of Charity, Province of St. Louise

CC: Lynn Antipas Tyson
Mary Culler
Kim Pittel
John Viera