The Detroit News

As the Trump administration has <u>pushed to freeze mpg rules at 2020 levels until 2026</u>, <u>Ford</u> <u>has repeatedly been called out</u> in Washington by environmental groups like the Sierra Club, Safe Climate Campaign, Public Citizen and Interfaith Power & Light. They say Ford has paid lip service to believing in the importance of improving the fuel economy of its cars, but has lobbied behind the scenes to relax the rules.

Ford in green groups' cross-hairs as mpg debate heats up

Keith Laing, The Detroit News Published 12:01 a.m. ET July 15, 2019 | Updated 6:54 a.m. ET July 15, 2019

Washington — When critics of President Donald Trump's effort to roll back stringent Obamaera gas-mileage rules are looking for an automaker to single out, they frequently target Ford Motor Co.

As the Trump administration has <u>pushed to freeze mpg rules at 2020 levels until 2026</u>, <u>Ford</u> <u>has repeatedly been called out</u> in Washington by environmental groups like the Sierra Club, Safe Climate Campaign, Public Citizen and Interfaith Power & Light. They say Ford has paid lip service to believing in the importance of improving the fuel economy of its cars, but has lobbied behind the scenes to relax the rules.

In particular, they cite comments made by former Ford CEO Mark Fields in a 2017 meeting with the newly elected president in which Fields said the Obama-era fuel rules would cost the nation 1 million jobs. Fields has since been replaced by Jim Hackett, but the vitriol between Ford and environmentalists has continued unabated, while General Motors Co. and Fiat Chrysler Automobiles have largely been given a pass.

Andrew Linhardt, deputy advocacy director of the Sierra Club's Clean Transportation for All Campaign, said Ford "took the lead" in pressuring the Trump administration in its early days to re-examine mileage standards for model years 2022-25.

"I don't know what they thought would happen, but we all could have told them what would happen," Linhardt said. "They haven't backed away from (former CEO) Mark Fields saying it would cost 1 million jobs. They've moderated their tone some, but they keep talking about flexibilities."

Ford has said it plans to invest \$11.5 billion over the next several years, with 16 fully electric vehicles in its global lineup by 2022. Paired with new hybrids expected in the same time frame, the carmaker is targeting 40 hybrid or battery-powered vehicles by 2022.

And on Friday, Ford and autonomous-driving software company Argo AI announced a tie-up with Volkswagen AG that would in part give Ford the right to use VW's electric-vehicle platform to build a high-volume EV for Europe. Ford said it plans to build more than 600,000 of those vehicles over six years starting in 2023.

Ford says it has urged the Trump administration to compromise with California in a fight over the gas-mileage rules that appears to be headed to the courts. The Dearborn automaker also says it supports annual increases in fuel economy that are achievable based on consumer demand, and it wants one set of mpg rules for the whole country.

John Cangany, Ford's corporate social responsibility communications manager, said the argument from environmental groups that the automaker is leading the charge against increased fuel economy is a "mischaracterization."

"We continue to support U.S. clean-car standards that increase each year, and we have been urging the administration to work with California to preserve and extend one national program," he said. "We believe that global climate change is real, and we are committed to reducing emissions from our vehicles and our factories."

Cangany said Ford has "a long-term vision for reducing CO2 by following our 2-degree CO2 stabilization glide path and delivering on CO2 reductions consistent with the Paris Climate Accord.

"We already have charted a course for our future that includes investing more than \$11 billion to put hybrid and fully electric vehicle models on the road by 2022," he said.

That is not enough to mollify critics who question whether the Dearborn automaker is fully committed to sustainability.

This month, a group of faith-based organizations delivered to Ford's Dearborn headquarters a petition signed by more than 4,000 people in an effort to "denounce the automaker's lobbying of the Trump administration's proposed rollback of fuel economy and greenhouse gas emissions standards."

Leah Wiste, executive director of Michigan Interfaith Power & Light, said volunteers who delivered the petition were met by security guards.

"Not only did we not get to meet with someone, but we were turned away, and this was a group of clergy and a mom with young children who were coming to express their concern for the environment."

Bill Bradlee, national organizing director for the group, noted that Ford was among 17 automakers who signed a letter calling for the Trump administration to reach a deal with California on mpg rules, but he said the statement is "confusing" to the public because Ford and other automakers have pushed for more flexibility in emissions.

"It gave the impression they don't support a rollback, but they support a weakening of the standard," he said.

Michelle Krebs, senior analyst for Autotrader, said the mpg debate has not resonated with car buyers, noting that gas is cheaper than initially projected when the Obama-era regulations were finalized in 2012.

"Our data based on consumer surveys shows fuel economy, with today's relatively low gas prices, does not rank at the top of consumers' list of priorities," she said. "It varies by segment, but I don't think it is in the top 3. Reliability or quality is always first. Affordability and safety are up there."

Krebs said fuel economy ranked sixth among non-luxury brand car buyers in Kelley Blue Book's 2019 first quarter Brand Watch, behind durability and reliability, safety, affordability, driving comfort and driving performance. Fuel economy was important to 48% of buyers in purchase decisions, compared to 84% for durability and reliability, and 71% for safety.

The Sierra Club's Lindhardt said he is taking a wait-and-see approach to Ford's latest announcement of the partnership on electric and self-driving cars with Volkswagen. "These can all be good things, we need to see what actually gets developed and brought to market," he said.

He admits part of the reason Ford has been singled out is because it represents a big target.

"We certainly got a lot of attention from them being our target," he said. "We want them to succeed, I want to make that clear. But the path forward is sustainability."

klaing@detroitnews.com

(202) 662-8735

Twitter: @Keith_Laing

https://www.detroitnews.com/story/business/autos/ford/2019/07/15/ford-targeted-mpg-debate/1708408001/