

United States Senate

WASHINGTON, DC 20510-1401

November 21, 2006

Mr. G. Richard Wagoner, Jr.
Chairman & CEO
General Motors Company
300 Renaissance Center
Detroit, MI 48265

Mr. Alan Mulally
President & CEO
Ford Motor Company
One American Rd
Dearborn, MI 48126

Mr. Tom LaSorda
President & CEO
Chrysler Group
800 Chrysler Drive
Auburn Hills, MI 48326

Gentlemen:

I write today to express my encouragement for your companies' increased attention to flex-fuel vehicles, hybrids, advanced diesels, fuel efficiency and other innovations that will help speed America's transition away from oil dependence.

Following your meeting with the President last week, your joint statement affirmed support for his and the Congress' "call for the continued development and use of renewable fuels as part of lessening America's dependence on imported oil." Your companies each can and should play a critical role in forming a secure and sustainable energy future for America.

Growth in world demand for oil will make us more dependent on reserves concentrated, in large part, in tumultuous regions and several nations hostile to the United States. The global trend of foreign governments asserting greater control over oil and gas reserves allows unfriendly regimes to use their oil and gas exports as leverage against the United States and our allies.

The future national security and economic prosperity of the United States demands that we use dramatically less oil. As such, we need a national strategy to meet this goal.

The National Fuels Initiative I have proposed would dramatically increase our leverage in foreign policy and strengthen our economy. Although we welcome each new E85 pump, ethanol plant, and flex fuel vehicle, we must not be satisfied with incremental measures that fail to transform our national energy equation. As I wrote to the President on September 29, 2006, "If our economy is crippled by an oil embargo, if terrorists succeed in disrupting our oil lifeline, or if we slide into a war because oil wealth has strengthened anti-American regimes, it will not matter that we were producing marginally more ethanol than before or that consumers are more willing to consider buying hybrids and other alternative vehicles. We need a national program that makes some hard choices

to spur alternatives, establishes accountability for results, and reports those results frequently to the American people.”

I advocate an aggressive goal of adding 100 billion gallons of renewable fuels to our energy mix by 2025. To get there we will need a comprehensive plan that includes production of flex fuels vehicles, E85 pumps, and cellulosic ethanol and other renewable fuels. Likewise, innovation in the auto sector to increase production of hybrids, plug-in hybrids, advanced diesels, hydrogen fuel cells, and greater fuel efficiency is needed. I introduced this plan at the Lugar-Purdue Summit on Energy Security on August 29, 2006, and I have enclosed the comments I gave in West Lafayette.

I realize that your companies face very real difficulties in keeping the factory doors open, and the investment needs to bring emerging technologies like plug-in hybrids to mass production are large. With Senators Harkin, Obama, and others, I have introduced legislation to help in the transition and create more jobs in America. I believe that America’s need to move away from oil offers an opportunity for your companies to once again lead the world in automobile innovation. Last month I toured a number of new energy developments in Indiana. It was truly inspiring to see the promising opportunities we have to move to a sustainable energy future.

The country is in great need of your leadership. I look forward to our ongoing dialogue.

Sincerely,

A handwritten signature in cursive script that reads "Richard G. Lugar". The signature is written in black ink and is positioned above the printed name.

Richard G. Lugar
U.S. Senator

Encl: Lugar-Purdue speech

RGL/nba