



Increases in wildfires more likely

■ Experts predict more wildfires throughout the nation's hotspots due to global warming, 3C

Wednesday, November 15, 2007

Newsline

■ News ■ Money ■ Sports ■ Life

■ Stocks get huge a lift from emerging PHEV technology:

Index	Close	Change
Dow Jones industrial average	11,137.17	▲ 68.11
Nasdaq composite	2,283.17	▲ 20.21
Treasury note, 10-year yield	4.53%	▼ 0.04
USA TOMORROW Internet 50	124.46	▲ 0.55

Sources: USA TOMORROW research, MarketWorld.com



The pledge returns

■ Rick Wagoner's refusal to sign the fuel-economy leadership pledge at last year's LA Auto Show a disappointment to customers. Will Wagoner reconsider and sign the pledge?

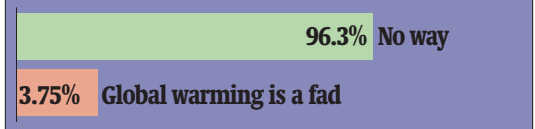


Kermit the Frog announces resignation from Ford Motor Company

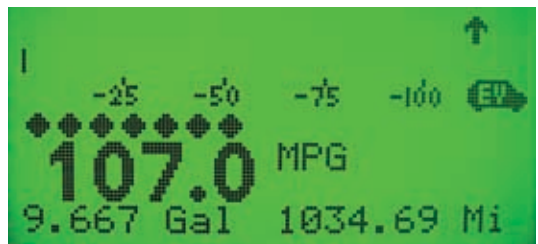
■ Frog cites disappointment with Ford's actual environmental commitments in wake of company's "green" advertising blitz for which he was spokesperson.

How green is your automaker?

Would you buy a car from an automaker that promises to build more "green" cars, but continues to fight legislation aimed at curbing global warming?



USA TOMORROW Snapshots®



Relief at the pump

■ Plug-in hybrids (PHEVs) offer the best immediate solution to breaking America's addiction to oil.



© COPYRIGHT 2007 Freedom from Oil, a campaign to break America's addiction to oil.
www.RAN.org www.GlobalExchange.org

NASCAR weighs running first ever PHEV race

■ Read the story inside today 1, 5C

Cover story

Ford CEO announces company will pull out of California lawsuit

Mulally claims Ford can meet California's emissions standards with mass-production of plug-in hybrids

By Sue DeStaytze
USA TOMORROW

DEARBORN, MICH. — Ford CEO Alan Mulally announced yesterday that his company would pull out of a lawsuit the Alliance of Automobile Manufacturers has filed against the state of California.

The automakers' lawsuit seeks to block implementation of a state law requiring that the greenhouse gas emissions of vehicles sold in California be cut 30 percent by model year 2016. Automakers, including Ford, have asserted that they cannot feasibly meet California's demands—a claim strongly contradicted by Mulally's statement.

"When we sat down and crunched the numbers," Mulally said, "we saw that mass producing plug-in hybrids would allow us to meet the California standards without reducing consumer options."

Mulally indicated that Ford would need to convert just over a third of its sales to plug-in hybrids to comply with the state's law. He assured the company's stockholders that "Rampant sales of hybrids in California suggest that the demand is there. If we can be the first automaker to put plug-ins on the road, we'll do well by doing good."

Plug-in hybrid electric vehicles are

more energy efficient than the Toyota Priuses that are ubiquitous on California roads. Plug-ins can produce 80 percent less greenhouse gas than the average gasoline-powered car, and they are capable of more than 100 miles on a gallon of gas. In July, Ford announced that it had the technology to produce the second-generation hybrids, an announcement which earned the company rare praise among environmentalists.

"We applaud Ford's bold commitment to build the first ever road-ready, consumer-class plug-in hybrid electric vehicle," the co-directors of the Freedom from Oil Campaign said in July.

"We've been saying all along that the automakers have the know-how to build more fuel-efficient, less-polluting vehicles," said Rainforest Action Network Campaign Director Sarah Connolly and Global Exchange Campaign Director Nick Magel. "After all, American cars were more fuel-efficient twenty years ago than they are now." The Freedom from Oil Campaign has been pushing Ford to produce more fuel-efficient vehicles since 2003 and has been a major critic of Ford's participation in the lawsuit.

Yesterday, in an interview at the Los Angeles Auto Show, Connolly and Magel publicly applauded Ford and renewed their efforts to shame the remaining automakers in the California

Freedom from Oil shows Toyota how it's done

■ Rapid conversion of a Toyota Prius to a plug-in hybrid scheduled to occur in front of the Los Angeles Convention Center on Thursday, Nov 15. Press conference at noon.



suit, known as the Pavley case for the Agoura Hills legislator who wrote the state vehicle emissions bill.

California was the first state to regulate climate-changing greenhouse gases in the same way that it regulates other airborne pollution. But since Pavley's bill passed in 2002, 13 states have sought to implement similar standards. Because the states' regula-

tions are stricter than the federal government's, the Environmental Protection Agency must issue a waiver allowing the states to move forward. California Gov. Arnold Schwarzenegger has pledged to sue the EPA over its reluctance to grant the waiver.

► Ford drops global warming suit, 3A

General Motors regains status as Nation's top automaker in sales, greenhouse gas pollution and job cuts

By Gus Gazzle
USA TOMORROW

DETROIT — In a statement today, General Motors CEO Rick Wagoner announced that his company had overtaken challenger Toyota to reassert its dominance in three key areas: sales, greenhouse gas emissions and job cuts.

"We are thrilled to be back on top. Not only are our shareholders celebrating increased profits, but we are also leaving Toyota and other automakers behind in a dirty cloud of our tailpipe emissions," Wagoner crowed at a press conference on Friday. "It seems that other companies have not been able to match our production of large trucks and SUVs in this post-global warming economy."

While General Motors stock and fleetwide carbon emissions rose, job cuts and plant closures also reached an all-time high, indicating that executives and shareholders are keeping the company's revenues for themselves.

Though skeptics doubted GM's ability to make good on its 2005 pledge to slash 30,000 jobs over three years, Friday's announcement demonstrated that the company is committed to keeping its promises.

Wagoner cited his company's good



business practice of sticking to its word as justification for his refusal to sign a pledge at the 2006 Los Angeles auto show that would have committed General Motors to lead the industry in fuel economy.

Wagoner said, "We only make promises that we can keep, and this year we promised to make the most money, cut the most jobs, and produce the highest levels of global warming pollution of any automaker."

Although the company does not excel in fleetwide fuel economy or customer satisfaction, Wagoner assured the press and the public on Friday that GM is prioritizing the needs of its top executives.

► GM's triple crown, 6A

Business

Ford discovers billion-dollar advertising budget skews consumer demand, stops marketing gas-guzzlers

By Friedman Frummel
USA TOMORROW

DEARBORN — Ford Motor Company announced today the results of a new internal study demonstrating that the company's \$1.7 billion 2006 advertising budget influenced many consumers to buy gas-guzzling trucks and SUVs.

Despite flat budgets in the fourth quarter, Ford increased its yearlong advertising outlays by 8.5 percent in 2006. Other Detroit automakers cut spending on advertising from 2005 levels.

After shareholders accused Ford of excessive advertising costs at the company's May 17 annual general meeting, the company agreed to commission a study to assess the impacts of its aggressive marketing.

Ford CEO Alan Mulally expressed surprise at the results. "We had no idea that our advertising was so strongly influencing our customers' choices," he said. "Who would have thought that by advertising almost exclusively trucks and SUVs, the public would actually buy more trucks and SUVs?"

The study revealed that many drivers with no real need for large vehicles

were significantly more likely to buy them after viewing the 5.6 hours of Ford advertising the average American consumer sees per year. Mulally claims that his company never intended to promote the sale of fuel-inefficient vehicles that cause global warming and expressed dismay that the company's ad firm never cautioned Ford that its ads would sway consumer behavior.

Mulally contends that the ads were simply more fun to make because they often featured outsized vehicles trampling pristine natural landscapes.

"We have been advertising trucks and SUVs because the mountainous scenery is more fun to film in. We had a blast driving through mud and mountain streams in the Rockies to get those shots of the Ford Expedition," said Mulally, referring to a popular advertisement. "Now that we know people are actually going to go out and buy what we advertise, you can be sure that you will see a new era of more responsible advertising from Ford."

Ford plans to shift its advertising to emphasize a light-duty line of smaller, more fuel-efficient vehicles and is considering a lawsuit against its advertising firm for withholding information about the consequences of its ads.

Please see GAS-GUZZLERS, page 7A ►