

Vice President of the National Center for Public Policy Research David Ridenour traveled to Wilmington, DE, on May 12, 2011 for the annual shareholder meeting of Ford Motor Co. to question CEO Alan Mullaly about the auto manufacturer's membership in the United States Climate Action Partnership and its impact on their reputation.

[0:05] EMCEE: Mr. Chairman, I'd like to introduce Mr. David Ridenour; a shareholder from Laurel, Maryland, who has a comment on the U.S. Climate Action Partnership.

[0:14] WILLIAM FORD, JR., CHAIRMAN: Thank you.

[0:17] DAVID RIDENOUR: Good morning, Mr. Chairman.

[0:18] FORD: Good morning.

[0:20] RIDENOUR: I'm Dave Ridenour. I'm Vice President of The National Center for Public Policy Research, which is a free-market think tank based in Washington, D.C.

[0:29] As was mentioned, my question pertains to Ford's membership in the U.S. Climate Action Partnership, a corporate-environmentalist alliance that seeks, and I quote, "legislation requiring significant reductions in greenhouse gas emissions."

[0:43] Ford's membership in USCAP is surprising, given that Ford produces products that run on fossil fuels, less fuel efficient vehicles, such as the F-150s and the Econoline vans accounted for 30% of your April sales, and some of Ford's most reliable customers for these products — farmers, ranchers, construction companies — run energy-intensive businesses that are highly sensitive to fuel price increases that Ford is effectively lobbying for through USCAP. Furthermore, USCAP membership engenders ill-will for Ford among the new majority in Congress. Will you re-evaluate your membership in USCAP, especially in the light of the fact that even Government Motors — excuse me, General Motors — has withdrawn from USCAP, as have John Deere and Caterpillar?

[1:38] Finally, I'd like to share with your board, with your permission, a poll we have commissioned on the reaction of conservatives — who represent a strong plurality of your customers — to corporations lobbying for cap-and-trade, as Ford, again, is, effectively, doing through its membership in USCAP. We surveyed attitudes about two other corporations, but haven't surveyed opinions about Ford. ...yet. One corporation's favorability rating dropped 31 points while another's dropped 50 points because of their support for cap-and-trade. Have you fully analyzed the — so, this is the other question: Have you fully analyzed the risks of continued USCAP membership?

[2:23] FORD: Thank you, Mr. Ridenour. Alan, you wanna handle this?

[2:26] ALAN MULLALY: Mr. Ridenour, I think it's — first of all, thank you very much; it's a very important topic, not only economic growth but energy independence and security, and environmental sustainability. With respect to your question, specifically, we absolutely continue to evaluate all the partnerships and all of the organizations that we're working with in developing climate and energy policy for the United States and around the world. And we really believe that being part of the solution and part of the discussion has really benefited Ford over... over the years. And just to give you a couple specific examples on that, when we chose to participate in the 2007 Energy Independence and Security Act, the response was phenomenal because, not only do we care about the issues that we all care about, but we actually participated in the drafting of that legislation. Currently, the USCAP and capping legislation is pretty dormant right now, as you know, but it's just so important that Ford continue to be part of discussions, and part of solutions, for not only for economic development but also energy — energy independence and security, and environmental sustainability. So, we feel really good about participating in this organization and the others. We continue to evaluate it. Thank you.

[3:41] RIDENOUR: Well, thank you very much. And you produce great, environmentally-friendly cars; you guys know how to do it. Don't let Washington do it. Don't give the keys to your cars to Washington.

[3:52] MULLALY: Fantastic.

[3:53] FORD: Thank you.

[3:53] MULLALY: If I could just maybe add one more comment on — on our vehicles, just to make sure you have the complete story. You mentioned that we make some fantastic larger vehicles, like the F-150. I just — I know you know this, but in — our commitment is, every vehicle that we make — whether small, medium, or large — will be, absolutely, best-in-class in fuel efficiency. So, whether you want to have a new Fiesta or whether you want an F-150, just know that when you walk in the Ford showroom, you're gonna get, absolutely, the best quality; the most fuel efficient vehicle in that class; most safe; and, also, smart design is taken by Ford. So, I think we really are being part of the solution here.