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FOR IMMEDIATE RELEASE

**STUDY INDICATES HIGHWAY DIESEL FUEL SUPPLY
LIKELY TO MEET 2006 DEMAND**

The nation's supply of highway diesel fuel, under a recently adopted regulation to cap sulfur content at 15 parts per million (ppm), likely will meet passenger and commercial transportation needs in 2006, according to a study released by the Alliance of Automobile Manufacturers and the Engine Manufacturers Association.

The study, conducted by MathPro Inc., addresses petroleum industry concerns that diesel fuel might be in short supply in 2006, when the fuel must meet ultra low sulfur diesel (ULSD) standards required by the U.S. Environmental Protection Agency (EPA) as part of its emissions reduction programs.

"We are extremely pleased with the outcome of this in-depth study," said Josephine S. Cooper, President and CEO of the Alliance of Automobile Manufacturers. "It carefully examined key technical, economic and market factors shaping U.S. refinery investment decisions and concluded that ULSD, which will be required by clean diesel vehicles, likely will be fully available across the U.S. in 2006 for consumers interested in this fuel-efficient technology."

Jed Mandel, General Counsel to the Engine Manufacturers Association, indicated that "the availability of 15 ppm diesel fuel in 2006 is essential as heavy-duty engine manufacturers introduce advanced aftertreatment technologies to meet new federal emissions regulations. Our industry strongly supports the Environmental Protection Agency fuel initiative, and the MathPro study demonstrates that the fuel should be in the marketplace when new engine technologies are commercially introduced."

The 79-page study assumed that EPA would require a 100 percent introduction of ULSD in 2006, which is more challenging than the final EPA phase-in. The study examined regional markets for refined products and concluded that refineries are likely to find the economic driving forces for investment in ULSD capacity to be substantial, and alternatives to ULSD to be unattractive. An analysis of economies of scale suggested that refineries -- especially small refineries-- with high cost ULSD production could

reduce their costs significantly by participating in joint production arrangements. Importantly, the study also concluded that domestic and offshore market forces would make widespread abandonment of the highway diesel fuel market unattractive to refiners.

The Engine Manufacturers Association is a trade association representing worldwide manufacturers of internal combustion engines used in applications such as trucks and buses, farm and construction equipment, locomotives, marine vessels, and lawn, garden and utility equipment. EMA works with government and industry stakeholders to help the nation achieve its goals of cleaner fuels, more efficient engines and cleaner air.

The Alliance of Automobile Manufacturers is a trade association of 13 car and light truck manufacturers who account for more than 90 percent of U.S. vehicle sales. Member companies, which include BMW Group, Daimler Chrysler, Fiat, Ford Motor Company, General Motors, Isuzu, Mazda, Mitsubishi Motors, Nissan, Porsche, Toyota, Volkswagen and Volvo, employ more than 620,000 Americans at 250 facilities in 35 states.

For the complete text of the MathPro Report, visit the Alliance website at www.autoalliance.org.

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