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From: Toyota\_Environmental\_News@toyota.com [[mailto:Toyota\\_Environmental\\_News@toyota.com](mailto:Toyota_Environmental_News@toyota.com)]

Sent: Wed 3/9/2005 8:50 PM

Subject: Toyota's Position on the California Global Warming Regulation

Thank you for contacting Toyota and please know that we share your concern about climate change. That is why we've been a leader in hybrid technology and we were the first company to introduce a mass-market hybrid vehicle, the Prius, in 1997. In April 2005 we will introduce the Lexus RX 400h, followed shortly by the Toyota Highlander Hybrid, and next year, the Lexus GS hybrid. We believe that hybrid technology plays a vital role in addressing greenhouse gases.

But when it comes to California's attempt to establish new regulations to reduce greenhouse gas emissions through changes in motor-vehicle fuel economy, we have serious concerns. The increased fuel economy requirements are drastic even for Toyota, which has one of the best environmental records in the industry. For consumers, this would lead to higher-priced vehicles and fewer model choices. The added cost to consumers, by some estimates, may average as much as \$3,000 per vehicle. And, as for choice, the only vehicles we currently make that would meet the ultimate rules are our Prius and our manual transmission Echo. We recognize that a large number of our customers need different vehicles for their lifestyles and we would like to continue to meet those needs.

Global warming is a genuine concern for our society, and Toyota vows to be part of the solution. The California rule has an admirable goal, but we feel it takes the wrong approach. Any solution must take at least a national approach, or it may threaten economic growth while having little impact on the problem.

Toyota will continue to work with others, including California and federal regulators, government representatives, academic leaders, the industry, and environmentalists to seek innovative solutions to the problem of global warming. And we will continue developing and expanding pioneer technology that will lead the way to future environmental advancements.

Please know that we value your input, and we appreciate your feedback and the time you've taken to contact us.