

North American Fleet, Lease Remarketing Operations

Ford Motor Company Regent Court, Drop 6N-2A 16800 Executive Plaza Drive Dearborn, MI 48126

January 23, 2007

Mr. Russell Miller Director – Engineering & Commodity Management Division GSA Automotive 2200 Crystal Drive, Suite 1000 Arlington, VA 20406

Subject: Alternative Fuels, Derivative Fuels, Fuel Additives

We are writing this letter in response to your email dated Thursday, October 26, 2006.

1. Position/Recommendation on the use of B5:

Fuels containing no more than 5% biodiesel may be used in Ford diesel powered vehicles. Consistent with WWFC (World-Wide Fuel Charter) category 1-3, "Fatty Acid Methyl Esters (FAME) used in commercial fuel must meet both the EN 14214 and ASTM D 6751 specifications".

2. Position/Recommendation on the use of B20:

Ford diesel engines may exhibit engine or fuel system concerns when using fuel with greater than 5% biodiesel concentration. Concerns due to the use of fuels that contain more than 5% biodiesel should be referred to the fuel manufacturer.

Ford believes that it is unlikely that the emission benefits of biodiesel will be sufficient to achieve Tier 2 emission standards with out catalysts and particulate filters. Ford is working aggressively on technologies, including engine improvements, new catalysts and particulate filters that will remove HC, CO, NOx and soot from diesel exhaust. Renewable fuels or blends containing renewable components can help reduce the total lifecycle CO2 impact and may be used when available, but they are not the key step to achieving Tier 2 emission standards.

International Truck and Engine Company has stated that the use of biodiesel in their engines – some of which are in Ford products – at greater than 5% concentration, is solely at the discretion and risk of the customer.

3. Position/Recommendation on the use of fuel additives on 2006 and earlier MY vehicles with 2007 compliant diesel fuel:

It should not be necessary to add any aftermarket additives to your fuel tank if you use a properly formulated diesel fuel that meets the ASTM D 975 industry specification. Aftermarket additives can damage the injector system or engine. Repairs to correct the effects of using an aftermarket product in your fuel may not be covered by your warranty.

4. Potential consequences if ULSD is not used in vehicles with 2007 compliant diesel engines:

Clogged diesel particulate filter and eventual engine shut-down.

Please contact Craig Fetty at 313-390-1095 or email cfetty@ford.com if you have further questions.

/s/ Tony Gratson Government Sales Manager