



Welcoming Remarks

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Thank you Doug and good morning ladies and gentlemen ... and let me add my welcome to San Antonio.

Our Fleet and Commercial Operations group staged it's 2004-model product preview last year here in San Antonio for over 600 of major fleet customers ... and the River Walk was one of the most popular destination spots during the event.

It's a pleasure to share the podium with good friends from the Clean Cities Program, Honda and Ford because we also share similar long-term goals ... to provide future vehicles with stunning designs, thrilling performance, substantially improved fuel economy and reduced emissions.

We all know there will be many curves and bumps in the road to that destination ... but this is a guiding principle at General Motors. There will be a role for CNG in that future ... and despite some setbacks, let me assure you that GM is committed to Multi-Fuel Technology. I won't gloss over the fact that GM has ended production of our CNG full-sized vans. It was not an easy decision, but one that was necessary because of business pressures in a declining market. GM is the only OEM still producing factory-installed CNG systems in commercially focused products, like our full-size Chevrolet Silverado and GMC Sierra pickups.

And for those interested in aftermarket upfits for full-size vans, GM will continue to provide a gaseous, fuel-ready 6.0 Liter Vortec engine in both the Express and Savana vans ... as well as in the Chevrolet Kodiak and GM Topkick medium duty trucks with the 8.1 Liter engine.

I remember using the line several years back ... and it certainly was not original ... "If you build it they will come." That may work for a baseball field, in a movie set in Iowa, but in the real world of business, you have to build a great product at a good price ... and then the buyers may come. The Alternative Fuel industry has proved that point many times over the 20 years.

GM's approach to meeting our nation's transportation needs is straightforward. First, we have to offer products that customers really want to buy, not have to Second, we need to meet some basic business objectives ... like selling at prices that customers are willing to pay, and for us to be able to produce at costs in line with those prices. If no one buys your products, your technology has no real impact. And Third, we, as an industry, have a responsibility to continue improving vehicle emissions and fuel economy.

I spent some time thinking about this meeting and wondered how to put a positive spin on what might be considered a negative. I recalled a line from Shakespeare in Henry the 4th ... "Bad news stimulates him to act." I thought it was appropriate because there is a great deal of opportunity for those willing to grab it.

At a recent dealer meeting, we told our dealers to get out of their comfort zone and look for new business in areas they may never have considered. I'd like to leave you with the same thought. Look at the new technology that's coming ... and the opportunities it promises ... for those willing to adapt their products and their businesses.

The world is ripe for auto growth since almost 9 out of 10 people do not own vehicles. And while the demand for CNG vehicles in the U.S. may not be as great as you would like right now, the market for multi-fuel technology continues to grow. GM's Brazilian subsidiary announced last month that it plans to begin selling a Chevrolet Astra Multi-Fuel car that runs on gasoline, alcohol or natural gas. In fact, Brazilians bought 150,000 flex-fuel cars in the first seven months of this year ... about one in every five vehicle sales. And that scenario will play itself out in any part of the world where it makes economic sense.

As I said earlier, we at GM envision future automobiles with stunning designs, thrilling performance, improved fuel economy and reduced emissions. Energy for these vehicles will come from diverse sources ... and these vehicles will need to be safer and more affordable. In the near-term, economics will determine our continued marketing of factory-installed CNG units. The longer-term automotive technology involves advanced fuel cell technologies that will be initially supported by natural gas.

And that's why I think the advice we gave to our dealers is perfectly appropriate today: There is plenty of opportunity in this business for those who are able to get out of their comfort zone to go and get it! We at GM are stretching and working the edges of the envelope, we urge you to do the same.

Please stop by our exhibit during the conference and let us show you where we're at and where we're going and chat a bit about future technologies.

Thank you ...