

February 28, 2014

Antoine Frérot
Chief Executive Officer
Veolia Environnement SA
38 Avenue Kleber
Paris 75116
France

Re: Veolia Environnement SA and Iran

Dear Mr. Frérot:

United Against Nuclear Iran (“UANI”) is writing to express its concern about Veolia Environnement SA’s (“Veolia”) prospective business activities in Iran as well as reports that Veolia was a member of a French trade delegation that recently visited Iran in the wake of the implementation of the Joint Plan of Action (“JPA”) interim agreement between Iran and the P5+1 group of countries. Notwithstanding the terms of the JPA, there remain severe reputational, financial and legal risks associated with Iran business. In light of such risks it should be clear to all responsible companies that Iran is not open for business. Accordingly, UANI calls on Veolia to immediately cease all of its Iran business activities.

On February 2, 2014, a French trade delegation representing more than 100 national companies began a three-day long mission to Tehran. The delegation reportedly met with Mohammad Nahavandian, President Rouhani’s chief of staff, as well as members of Iran’s Chamber of Commerce, Industries, Mines and Agriculture. According to multiple media reports, Veolia was among the companies represented. (*Reuters*, “[French trade delegation to visit Iran next month](#),” 1/15/14; *Reuters*, “[Iran welcomes French business chiefs after sanctions eased](#),” 2/3/14)

Veolia’s apparent interest in expanding its Iran business is both premature and ill-advised. As clearly indicated in numerous statements issued by U.S. and EU officials, the JPA in no way gives a green light for companies to enter or re-enter the Iranian market. Simply put, Iran is not “open for business.” (*AFP*, “[US: Iran 'not open for business'](#),” 2/4/2014) For example, in remarks before the U.S. Senate Committee on Foreign Relations on February 4, 2014, Undersecretary for Terrorism and Financial Intelligence David Cohen stated, “The sanctions that remain in place are broad and that we intend to enforce our sanctions vigorously.” In reference to trade delegations visiting Iran like those from France, Undersecretary Cohen stated, “We are as crystal clear as possible in all of our engagements that if these talks turn into something more, if these talks turn into deals that violate the elaborate sanctions that remain in place, that we will

take action.” (U.S. Department of Treasury, “[Testimony Of Under Secretary For Terrorism And Financial Intelligence David S. Cohen Before The Senate Foreign Relations Committee](#),” 2/4/2014) At a news conference with French President Francois Hollande on February 11, President Obama in a warning to French companies stated that, “Businesses may be exploring... some possibilities to get in sooner rather than later, if and when there is an actual agreement to be had, but I can tell you that they do so at their own peril right now. Because we will come down on them like a ton of bricks.” (AFP, “[Obama warns French firms on Iran sanctions](#),” 2/11/14)

A similar view has been expressed by EU leaders. At the same press conference, President Hollande said, “Sanctions will only be lifted if and when there is definite agreement.” (AFP, “[Obama warns French firms on Iran sanctions](#),” 2/11/14) This followed on President Hollande’s previous statement that, “We will maintain sanctions as long as we are certain that Iran has not definitively renounced its military programme.” (Al Jazeera, “[Hollande: We won’t allow a nuclear-armed Iran](#),” 11/19/13) Similarly, British Prime Minister David Cameron has affirmed, “We will continue to enforce sanctions robustly in order to secure a comprehensive and final settlement that fully addresses the real and substantive concerns of the international community.” (Prime Minister’s Office, “[PM Statement on Iran](#),” 11/24/13)

Veolia should also be mindful of the potentially damaging reputational risks associated with Iran business activities. U.S. officials, including Undersecretary of State for Foreign Affairs Wendy Sherman, have issued stern warnings to firms about such risks. In testimony before the U.S. Senate, Undersecretary Sherman stated that, “We have told them all that they are putting their reputations, themselves, and their business, [their] business enterprises, at risk if they jump the gun.” (The Washington Post, “[Foreign firms lining up to do business with Iran once sanctions are loosened, officials say](#),” 2/4/2014) Moreover, in January 2014, a senior U.S. administration official said Iran was still a “perilous” place for foreign companies to do business, stating, “Businesses need to take into account the legal *and reputational risk* of doing business with Iran.” (AFP, “[US warns firms against breaking Iran sanctions](#),” 01/15/14) Furthermore, as you may know, Iran’s engineering sector is dominated by the Islamic Revolutionary Guards Corps (“IRGC”) – the sanctioned caretaker of Iran’s ballistic missile and nuclear weapons programs, and the main instrument used in Iran’s domestic repression and global terrorist activities. (RAND Corporation, “[The Rise of the Pasdaran](#),” 2009) The IRGC widely operates in this sector through its engineering arm, Khatam al-Anbiya, which is also blacklisted by the EU, the U.S. and the United Nations. Surely, the risks associated with potential (even inadvertent) partnership with the IRGC and IRGC-affiliated entities are much too great for any responsible and law-abiding company.

Veolia has an enormous presence throughout the United States and has benefited from vast U.S. federal government contracts totaling over \$180 million since 2000, primarily from the U.S. Department of Defense. (Veolia Energy North America, “[Locations](#),” USASpending, “[Veolia](#)”)

UANI strongly believes that no company should benefit from access to the world’s largest economy and consumer market while at the same time investing in Iran. Please be advised that UANI will not waver in its commitment to shining the full light of public scrutiny

on any company that gives succor to the Iranian regime in its illicit pursuit of a nuclear weapons capability and worldwide sponsorship of terrorism.

Please let us hear from you by March 7, 2014 regarding Veolia's intentions. We look forward to your response.

Thank for your immediate attention to this matter.

Very truly yours,

A handwritten signature in black ink that reads "Mark Wallace". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Ambassador Mark D. Wallace

- cc: The Honorable Ed Royce
Chairman, United States House Committee on Foreign Affairs
- The Honorable Eliot Engel
Ranking Member, United States House Committee on Foreign Affairs
- The Honorable Tim Johnson
Chairman, United States Senate Committee on Banking, Housing, and Urban Affairs
- The Honorable Michael Crapo
Ranking Member, United States Senate Committee on Banking, Housing, and Urban Affairs
- The Honorable Jeb Hensarling
Chairman, United States House Committee on Financial Services
- The Honorable Maxine Waters
Ranking Member, United States House Committee on Financial Services
- The Honorable Robert Menendez
Chairman, United States Senate Committee on Foreign Relations
- The Honorable Bob Corker
Ranking Member, United States Senate Committee on Foreign Relations
- The Honorable Ileana Ros-Lehtinen
United States House of Representatives

The Honorable Steve Israel
United States House of Representatives

The Honorable David S. Cohen
Under Secretary for Terrorism and Financial Intelligence, United States
Department of the Treasury

The Honorable Adam Szubin
Director, Office of Foreign Assets Control

Catherine Ashton
High Representative of the European Union for Foreign Affairs and Security
Policy

Ambassador Charles H. Rivkin
United States Ambassador to France and Monaco

Ambassador François Delattre
Ambassador of France to the United States

Bertrand Lortholary
Consul General, Consulate General of France in New York

Terry Mah
President & CEO, Veolia Environnement North America