

March 9, 2012

Daniel F. Ackerson
Chairman and CEO
General Motors Company
P.O. Box 331170
Detroit, MI 48232-5170

Re: General Motors, Peugeot and Iran

Dear Mr. Ackerson,

United Against Nuclear Iran ("UANI") is writing to express its concern regarding General Motors Company's ("GM") partnership with PSA Peugeot Citroën ("Peugeot"). Peugeot's business dealings in Iran are extensive and well-documented. By doing business directly with the Iranian regime, Peugeot directly supports the Iranian regime's ability to develop its illegal nuclear weapons program, support its terrorist proxies and pursue a brutal campaign of repression against the Iranian people. GM's partnership with Peugeot will also likely run afoul of U.S. law. UANI therefore calls on GM to use its influence and leverage to compel Peugeot to immediately end its business in Iran. In the event Peugeot does not comply, UANI calls on GM to end its partnership with Peugeot.

UANI has separately expressed its concern regarding Peugeot's business in Iran to Peugeot management (*See* enclosure). Peugeot is partnered with the Iran Khodro Group ("IKCO"), which is a subsidiary of the Iranian Development and Renovation Organization ("IDRO"), an entity controlled by the Iranian regime, associated with Iran's Islamic Revolutionary Guard Corps ("IRGC") and blacklisted by the U.S., UK and EU for its activities in a wide range of nuclear and military industries. Moreover, the IRGC commander Rostam Ghasemi currently holds a position on IDRO's Board of Directors. Mr. Ghasemi was formally sanctioned by the U.S. Treasury Department's Office of Foreign Asset Control ("OFAC") in August 2010.

By partnering with IRGC affiliated entities, Peugeot is supplying the technology and funds necessary for the IRGC to perpetuate its monopoly over the Iran automobile industry, continue its dominance over large swaths of the Iranian economy and fund its efforts to pursue weapons of mass destruction and sponsor terrorism around the globe. In light of the 2008-2009 taxpayer funded \$50 billion bailout of GM and the U.S. Treasury Department's current 32% stake in GM, it is unacceptable for GM to enter into a partnership with a company that so openly deals with a regime that is responsible for the deaths of U.S. and NATO servicemen and threatens U.S. and global security.

The GM and Peugeot partnership may also run afoul of U.S. sanctions. As noted in *The Wall Street Journal*, “the prospect of GM indirectly selling cars to Iran through an equity investment in Peugeot should raise major red flags in Washington.” (*The Wall Street Journal*, “GM-Peugeot Alliance Could Contain Iran Tripwire,” 3/2/12). More specifically, since GM’s alliance with Peugeot calls for GM and Peugeot to “share vehicle platforms, auto parts and create a global purchasing joint venture,” GM could run afoul of Office of Foreign Assets Control (OFAC) sanctions under the Iranian Transactions Regulations (ITR). The ITR prohibits:

the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any goods, technology, or services to Iran or the Government of Iran is prohibited, including the exportation, reexportation, sale, or supply of any goods, technology, or services to a person in a third country undertaken with knowledge or reason to know that:

a) Such goods, technology, or services are intended specifically for supply, transshipment, or reexportation, directly or indirectly, to Iran or the Government of Iran; (b) Such goods, technology, or services are intended specifically for use in the production of, for commingling with, or for incorporation into goods, technology, or services to be directly or indirectly supplied, transshipped, or reexported exclusively or predominantly to Iran or the Government of Iran.” (Iranian Transactions Regulations, [§560.204](#) “Prohibited exportation, reexportation, sale or supply of goods, technology, or services to Iran”)

In an alliance with Peugeot, GM would be hard-pressed to guarantee that GM goods or technology would not be incorporated into Peugeot vehicles assembled in Iran. Peugeot itself could be sanctioned if 10 percent or more of the total value of its products sold in Iran come from U.S. goods or technology. (Iranian Transactions Regulations, [§560.205](#) “Prohibited reexportation of goods, technology or services to Iran or the Government of Iran by persons other than United States persons; exceptions”)

As a recognized leader in the global automotive industry, as well as Peugeot's partner and soon to be second-largest shareholder, GM is in a unique position to hold Peugeot accountable for its business activities in Iran. In so doing, GM could send a clear message that companies seeking partnerships with American corporations must first turn their backs on the brutal tyrants in Tehran.

The Iranian regime is imperiling the long-term stability of the region, the security of the international community and its own citizens, as well as the entire nuclear nonproliferation regime. It is incumbent on all of us, private citizens, governments and corporations alike, to take concrete steps to oppose this ongoing and dangerous threat. Peugeot’s direct partnership with blacklisted Iranian entities controlled by the Iranian regime and the IRGC is exposing GM, its investors and other partners to serious and irrevocable reputational harm. It is untenable for a great American carmaker to expand its business in partnership with the Iranian regime, and neither American car buyers nor American taxpayers will stand for such a business partnership.

Please let us hear from you by March 19, 2012 as to whether or not you will take action to end Peugeot's business in Iran.

Thank you for your immediate attention to this matter.

Very truly yours,



Ambassador Mark D. Wallace

Enclosed:

--UANI Letter to Peugeot, March 9, 2012

cc: The Honorable Barack Obama
President of the United States

The Honorable Joseph I. Lieberman
Chairman, United States Senate Committee on Homeland Security &
Governmental Affairs

The Honorable Susan M. Collins
Ranking Member, United States Senate Committee on Homeland Security &
Governmental Affairs

The Honorable John Kerry
Chairman, United States Senate Committee on Foreign Relations

The Honorable Richard Lugar
Ranking Member, United States Senate Committee on Foreign Relations

The Honorable Jon Tester
United States Senate

The Honorable Robert Menendez
United States Senate

The Honorable Peter T. King
Chairman, United States House Committee on Homeland Security

The Honorable Bennie Thompson
Ranking Member, United States House Committee on Homeland Security

The Honorable Ileana Ros-Lehtinen
Chairman, United States House Committee on Foreign Affairs

The Honorable Howard Berman
Ranking Member, United States House Committee on Foreign Affairs

The Honorable Howard P. McKeon
Chairman, United States House Armed Services Committee

The Honorable Adam Smith
Ranking Member, United States House Armed Services Committee

The Honorable Henry Waxman
Ranking Member, United States House Committee on Energy and Commerce

The Honorable Steve Israel
United States House of Representatives

The Honorable Ted Deutch
United States House of Representatives

The Honorable Nita Lowey
United States House of Representatives

The Honorable Carolyn Maloney
United States House of Representatives

The Honorable Gary Ackerman
United States House of Representatives

The Honorable Rob Andrews
United States House of Representatives

The Honorable Steve Chabot
United States House of Representatives

The Honorable Gerry Connolly
United States House of Representatives

The Honorable Henry Cueller
United States House of Representatives

The Honorable Susan Davis
United States House of Representatives

The Honorable Tim Griffin
United States House of Representatives

The Honorable Jim Himes
United States House of Representatives

The Honorable Kathy Hochul
United States House of Representatives

The Honorable Rush Holt
United States House of Representatives

The Honorable Jerry Nadler
United States House of Representatives

The Honorable Bill Owens
United States House of Representatives

The Honorable Ed Perlmutter
United States House of Representatives

The Honorable Adam Schiff
United States House of Representatives

The Honorable Betty Sutton
United States House of Representatives

The Honorable Bob Turner
United States House of Representatives

The Honorable Leon E. Panetta
Secretary of Defense, United States Department of Defense

The Honorable Timothy F. Geithner
Secretary of Treasury, United States Department of Treasury

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

The Honorable Mitt Romney
Governor of Massachusetts

Bob King
President, United Automobile, Aerospace and Agricultural Implement Workers of
America

H.E. Mohammad Khazaei
Permanent Representative of The Islamic Republic of Iran to the United Nations

Stephen J. Girsky
Vice Chairman, Corporate Strategy, Business Development, Global Product
Planning and Global Purchasing and Supply Chain, General Motors

Timothy E. Lee
Vice President and President, International Operations, General Motors

Mark L. Reuss
Vice President and President, North America, General Motors

Michael P. Millikin
Senior Vice President and General Counsel, General Motors

Daniel Ammann
Senior Vice President and Chief Financial Officer, General Motors

Selim Bingol
Vice President, Global Communications, General Motors

Robert E. Ferguson
Vice President, Global Public Policy, General Motors

Brian D. Thelen
General Auditor and Chief Risk Officer, General Motors

Philippe Varin
Chairman of the Managing Board, PSA Peugeot Citroën