



GM'S COMMITMENT TO THE AMERICAN PEOPLE

We deeply appreciate Congress considering General Motors' request to borrow up to \$18 billion from the United States. We want to be sure the American people know why we need a loan, what we will do with your money and how it will make GM viable for the long term.

For more than 100 years, we have been serving your personal mobility needs, providing American jobs and serving local communities. We have been the U.S. sales leader for 76 consecutive years. Of the 250 million cars and trucks on U.S. roads today, more than 66 million are GM brands — nearly 44 million more than Toyota brands. We value your business and appreciate the confidence you have in our products. Our goal is to continue to fulfill your aspirations and exceed your expectations.

While we're still the U.S. sales leader, we acknowledge we have disappointed you. At times we violated your trust by letting our quality fall below industry standards and our designs become lackluster. We proliferated our brands and dealer network to the point where we lost adequate focus on our core U.S. market. We also biased our product mix toward pickup trucks and SUVs. And we made commitments to compensation plans that have proven to be unsustainable in today's globally competitive industry.

We have paid dearly for these decisions, learned from them and are working hard to correct them by restructuring our U.S. business to be viable for the long-term.

Today, we have substantially overcome our quality gap; our newest designs are widely heralded for their appeal, such as the Chevrolet Malibu and Cadillac CTS; our new products are nearly all cars and crossovers rather than pickups and SUVs; our manufacturing operations have greatly improved productivity, and our labor agreements are much more competitive.

GM is also driven to lead in fuel economy — with more hybrid models for sale and biofuel-capable vehicles on the road than any other manufacturer — and is determined to reinvent the automobile with revolutionary new products like the Chevrolet Volt* extended-range electric vehicle and breakthrough technology like hydrogen fuel cells.

Until recent events, we felt the actions we'd been taking positioned us for a bright future. Just a year ago, after we reached transformational agreements with our unions, industry analysts were forecasting a

positive GM turnaround and our stock price reflected that confidence. We had adequate cash on hand to continue our restructuring even under relatively conservative industry sales volume assumptions.

Unfortunately, along with all Americans, we were hit by a "perfect storm." Over the past year, all of us have had to deal with volatile energy prices, the collapse of the U.S. housing market, failing financial institutions, a stock market crash and the complete freezing of credit. We are in the midst of the worst economic crisis since the Great Depression.

Just like you, we have been severely impacted by events outside our control. U.S. auto industry sales have fallen to their lowest per capita rate in half a century. Despite moving quickly to reduce our planned spending by over \$20 billion, GM finds itself precariously and frighteningly close to running out of cash.

We know some Americans have questioned why the Federal Government should assist the auto industry, specifically when so many other sectors of the economy appear to be at serious risk too. The answer is because we have already lost a number of industries that spin raw materials into finished products that can be purchased by the citizens of this nation and, just as importantly, those of other nations.

A healthy manufacturing base generating exports is critical to the economy and national security of the United States. The auto industry is the backbone of this country's manufacturing base.

This is why we need to borrow money from U.S. taxpayers. If we run out of cash, we will be unable to pay our bills, sustain our operations and invest in important advanced technology. A collapse of GM and the domestic auto industry will accelerate the downward spiral of an already anemic U.S. economy. This will be devastating to all Americans, not just GM stakeholders, because it would put millions of U.S. jobs at risk and further deepen our recession, a crisis that would not merely be localized to the Midwest.

By lending GM money, you will provide us with a financial bridge until the U.S. economy and auto sales return to modestly healthy levels. This will allow us to keep operating and complete our restructuring.

We submitted a plan to Congress on December 2, 2008, detailing our commitments to ensure our viability, strengthen our competitiveness and deliver energy-efficient products.

Specifically, we are committed to:

- producing automobiles you want to buy and are excited to own
- leading the reinvention of the automobile based on promising new technology
- focusing on our core brands to consistently deliver on their promises
- streamlining our dealer network to ensure the best sales and service
- ensuring sacrifices are shared by all GM stakeholders
- meeting appropriate standards for executive pay and corporate governance
- working with our unions to quickly realize competitive wages and benefits
- reducing U.S. dependence on imported oil
- protecting our environment
- paying you back the entire loan with appropriate oversight and returns

These actions, combined with a modest rebound of the U.S. economy, should allow us to begin repaying you in 2011.

In summary, our plan is designed to provide a secure return on your investment in GM's future. We accept the conditions of your loan, the commitments of our plan, and the results needed to transform our business for long-term success. We will contribute to strengthening U.S. energy and environmental security. We will contribute to America's technical and manufacturing know-how and will create high quality jobs for the "new economy." And we will continue to deliver personal mobility freedom to Americans using the most advanced transportation solutions.

We are proud of our century of contribution to U.S. prosperity and look forward to making an equally meaningful contribution during our next 100 years.