

GM'S COMMITMENT TO THE AMERICAN PEOPLE

We deeply appreciate the 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 it, what we'll do with it and how it will make GM viable for the long term.

For a century, 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. 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 have 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 pick-up 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 like the Chevrolet Malibu and Cadillac CTS are widely heralded for their appeal; our new products are nearly all cars and "crossovers" rather than pick-ups and SUVs; our factories have greatly improved productivity and our labor agreements are much more competitive. We are 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 determined to reinvent the automobile with 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. 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 we have all faced 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.

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 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 jobs at risk and deepen our recession. 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 Dec. 2, 2008, detailing our commitments to ensure our viability, strengthen our competitiveness, and deliver energy-efficient products. Specifically, we are committed to:

- produce automobiles you want to buy and are excited to own
- lead the reinvention of the automobile based on promising new technology
- focus on our core brands to consistently deliver on their promises
- streamline our dealer network to ensure the best sales and service
- ensure sacrifices are shared by all GM stakeholders
- meet appropriate standards for executive pay and corporate governance
- work with our unions to quickly realize competitive wages and benefits
- reduce U.S. dependence on imported oil
- protect our environment
- pay 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 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.