



1077 W. Borton Road | Essexville, MI 48732
contact@gmret.org ~ www.gmret.org

Edward E. Whitacre Jr.
Chairman & Chief Executive Officer
General Motors Corporation

Dear Mr. Whitacre,

As President and spokesperson for the General Motors Retirees Association (GMRA), an organization committed to promoting fair treatment of General Motors retirees, I am writing to inform you of an escalating situation among our membership that could have a negative impact on GM business.

GMRA is a retiree advocacy group. As part of normal business, our members communicate with us with respect to post-employment issues, concerns and questions. Historically, GM retirees represent a large and loyal GM market segment that has far-reaching influence on the buying decisions of their families and colleagues. But the attitudes and emotions of this group are changing rapidly. We are now seeing former GM employees, with many years of service and loyalty to the company, becoming increasingly angry, frustrated and distrustful of GM decisions. In their frustration, many are indicating they intend to take their vehicle purchasing decisions elsewhere.

This concerns me, and it should concern you too. To give you an idea of sales numbers, a conservative estimate of annual retiree sales is about 30% of 126,000 retirees or 38,000 vehicles. If 60% of the annual sales are diverted to competitors, the direct impact would be about 23,000 vehicles per year.

If you see these numbers as negligible, consider that these same customers will certainly also influence the buying decisions of their families, friends, neighbors and acquaintances. Since many hold influential positions within their communities, the outfall could escalate further. According to our estimates, GM could lose at least another 46,000 vehicle purchase decisions annually based on retiree influence, possibly more. Already, represented employees are turning to non-domestic and competitor vehicles for their purchases. While visiting a plant site, have a look at the parking lots where you will see a wide variety of competitor products.

To be clear, GMRA does not support this position. We understand that a negative impact on GM business could further erode GM's share of the market and add to the financial stress during already challenging economic times. We consider the success of GM central to our future.

At the same time, the anger and frustration is justifiable and we have no defense. There has been no measure of fairness in the treatment of salaried retirees. The GM and U.S. Treasury decisions to this point add up to a series of significant reductions to salaried retiree benefits with no representation. Add to that the recently announced Preferred Pricing Program, which further erodes the purchasing power of a significant retiree customer base, and it becomes obvious that the impact of the retiree segment on GM's future is being overlooked somewhere at the top.

We urge you to seriously consider the imminent risk. Once you lose this long time base of staunch support, it will be difficult, if not impossible, to win back.

I would be happy to meet with you, or your representative, to talk about how we could work together to find a mutually beneficial solution.

Sincerely,

John D. Christie

President
GM Retirees Association