

February 11, 2014

Patrick Kron
Chairman and CEO
Alstom SA
3 Avenue André Malraux
92300 Levallois-Perret
France

Re: Alstom SA and Iran

Dear Mr. Kron:

United Against Nuclear Iran (“UANI”) is writing to express its concern about Alstom SA’s (“Alstom”) ongoing business activities in Iran as well as reports that Alstom 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 Alstom 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, Alstom was among the companies represented, with a spokeswoman for Alstom also saying the company is seeking “to test the environment in the country.” (*Wall Street Journal*, “[French Companies Explore Return to Iran Amid Sanctions Thaw](#),” 1/13/14; *Reuters*, “[Iran welcomes French business chiefs after sanctions eased](#),” 2/3/14)

Alstom’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)

A similar view has been expressed by EU leaders. For example, French Prime Minister François Hollande has stated, “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)

Alstom 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 transportation, energy and engineering sectors are 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 these sectors through its engineering arm, Khatam al-Anbiya, which is also blacklisted by the EU, the U.S. and the United Nations. (Iran Watch, “[Khatam al-Anbiya Headquarters](#),” *Bloomberg*, “[Iran Sanctions Bid Targets Oil, Tanker Companies to Cut Exports](#),” 2/6/12; EU Council, “[Commission Regulation \(EU\) No 532/2010](#),” 06/18/10) 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.

UANI is also cognizant of Alstom’s vast U.S. presence, with “as many as 10,000 employees in 45 states and the District of Columbia.” (Alstom website, “[U.S. Locations](#)”) Moreover, Alstom has benefited from enormous U.S. government contracts and grants. Since 2000, Alstom and its subsidiaries have received more than \$350 million in such contracts and grants since 2000. (USASpending, “[Alstom](#)”)

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 February 17, 2014 regarding Alstom's intentions. We look forward to your response.

Thank for your immediate attention to this matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Mark Wallace", written in a cursive style.

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

Pierre L. Gauthier
President and CEO, Alstom U.S.