

March 19, 2009

Rick Wagoner
Chairman, General Motors
PO Box 33170
Detroit, MI 48232-5170

Dear Mr. Wagoner,

A number of our members last week attended the Original Equipment Supplier Association (OESA) seminar “The Smart Approach to Tooling” in Troy, MI. During this seminar Stuart Spiers, Director Global Cost Engineering for General Motors made the following statement that has been confirmed by multiple attendees:

“General Motors presently purchases 49% of its vendor tooling from LCC’s (Low Cost Countries – like China) and if the Chairman had his way it would be 100%”.

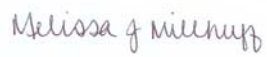
Given General Motors is requesting taxpayer assistance by way of loans from US Treasury we find the above statement to require a more complete explanation from General Motors. As such, we are requesting a meeting at your earliest convenience when we can explore the statement from General Motors. We would also like to take the opportunity to explain the Tooling Proposal, which has been delivered to the President’s Automotive Task Force and has been supported by all North American Tooling Associations, as well as have a detailed discussion on General Motors Low Cost Country sourcing strategies as it pertains to tool sourcing.

We find it rather discomfoting that while the New Domestic vehicle manufacturers source more and more of their tooling within North America that General Motors, Chrysler and Ford are sourcing more from outside North America. The recent Harbour-Felax Group Tooling Study, released at the very same OESA seminar, shows that the New Domestic enjoy an 8% cost advantage over the Detroit 3 in tooling costs which Harbour-Felax largely attributable to payment practices and the positive behaviors that these business terms generate.

In these days where the traditional US vehicle manufacturers are struggling to reduce costs, reducing tooling costs while sourcing more from American companies seems to be an avenue worth exploring.

Best regards,

Sincerely,

A handwritten signature in cursive script that reads "Melissa J. Millhuff".

Melissa J. Millhuff
Executive Director
American Mold Builders Association

cc: Ron Bloom, Automotive Task Force
Senator Stabenow, Michigan
Congressman Levin, Michigan
House Speaker Dillon, Michigan