



ORIGINAL EQUIPMENT SUPPLIERS ASSOCIATION

February 12, 2009

I want to bring you up-to-date on our direct and indirect discussions with the U.S. Department of the Treasury concerning the need for financial assistance for suppliers. Since my last open letter to members on Jan. 28, 2009, we have made progress. Not only is our voice being heard in Washington, D.C., but we have garnered the support of the OEMs. Although you may have seen a number of recent press reports regarding these actions, this letter may help answer some of your questions.

On February 2, 2009, MEMA / OESA submitted an informal working document to the U.S. Treasury outlining three proposed assistance programs:

- Government guarantee of supplier receivables
- Direct bridge loans for suppliers
- "Quick pay" supplier receivables program

The three programs were defined by an ad-hoc OESA committee that included member-company CFOs and CEOs, as well as affiliate members such as Foley & Lardner LLP and BBK. OESA has also engaged the services of Ducker Advisory, and we continue to take all member input and suggestions into account during this process.

Regarding the OEMs, OESA member executives and I met with Scott Garberding and his staff at Chrysler to discuss the need for financial assistance. The meeting was genial, and Chrysler executives offered support to MEMA / OESA. Bo Andersson has also offered GM's support for the assistance program, and he was particularly interested in our efforts to obtain government backing of supplier receivables. Tony Brown and Ford have been equally as supportive. I have also been in contact with Honda and Toyota, where executives at both companies have offered their backing.

We have reviewed our approach with Treasury and the OEMs to ensure that we are aligned in our message and with the OEM viability plans. Treasury officials are in agreement with our course of action.

Our immediate task: We will submit a formal proposal to Treasury by the end of this week. Communication with the Obama administration and members of Congress regarding our industry's urgent need for emergency bridge assistance will continue. The formal proposal will be made available to members once it is submitted.

Many members have contacted OESA asking what they can do. We ask that all member companies – executives and staff – contact their congressional representatives via the MEMA / OESA Action Center to encourage their support for federal assistance for suppliers. The Action Center allows you and your employees to quickly identify members of Congress (by zip code) and choose an appropriate message to send. [CLICK HERE](#) to access the Action Center.

In conclusion, we will not know more until we learn how our proposal is received by Treasury. In the meantime, we know that Treasury is speaking with the OEMs on these supplier issues, and we are fully aware of the time-critical nature of the situation faced by our industry. I will continue to keep you posted regarding our progress and next steps. As always, let us know if you have any additional thoughts or

comments. We are cautiously optimistic, but there is much work to be done.

Sincerely,

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