



**CANADIAN
TOOLING &
MACHINING
ASSOCIATION**

*Via Email
(Originals by courier)*

January 27, 2009

The Honourable Tony Clement

Minister of Industry
Industry Canada
235 Queen Street
CD Howe Bldg. 11th Floor
Ottawa, ON K1A 0H5

The Honourable Michael Bryant

Minister of Economic Development
900 Bay Street
Hearst Block, 8th Floor
Toronto, ON M7A 2E1

Dear Honourable Ministers:

The Canadian Tooling & Machining Association (CTMA), with 170 corporate members employing approx 14,000 Canadians in high value-added jobs, wrote to you on December 18th, 2008 concerning the automotive stimulus being considered by a number of Canadian government departments. Your intentions were to provide substantial stimulus to the Detroit Three (D-3) automotive companies with the objective of saving Canadian jobs, which we support.

While we have not received confirmation from either of your offices that you received our earlier communication, we most certainly understand the competing priorities that you are facing.

We once again ask you to consider addressing three major issues that face the Canadian machine, tool, die & mould (MTDM) industry:

- 1. Safeguards must be in place to prevent the funds from being transferred to foreign machine, tool, die and mould makers (MTDM)**
- 2. The Detroit-Three (D-3) must provide absolute payment dates on tooling contracts and stop using conditional events that they control, such as Production Part Approval Process (PPAP), to delay the payment process. When payments are delayed, they download their cash-flow problems onto their suppliers.**
- 3. Conditions should be attached to the stimulus package to ensure that the D-3 pay their outstanding commitments to suppliers including completed contracts where payments are being withheld due to PPAP approval.**

The CTMA and its members fully support the communications that continue to be sent to your offices from the seven Windsor-based MTDM companies and their spokesperson Mr. Craig Wiggins, President of Tooling & Equipment Capital Solutions Inc.

We strongly encourage you to ensure that your financial assistance is not used to support offshore tooling, rather that it be used to enhance high-technology, high value-added CANADIAN jobs. This funding, if kept in Canada, will increase liquidity in the Canadian MTDM industry thus ensuring that bankruptcies do not needlessly occur.

We believe that our members have the greatest knowledge of the sector and we would be pleased to offer our assistance to your departments that are responsible for developing the necessary policies to ensure that any funds offered will directly benefit Canada. The CTMA is a member of a world wide association with 30 member countries and we are fully aware of the global issues facing the tooling sector.

We thank you for your consideration of the issues raised above and invite you to contact our office anytime to discuss them further.

Sincerely,



Robert Cattle
President



Les Payne
Executive Director

/jmc

cc: The Right Hon. Stephen Harper, Prime Minister of Canada
Hon. Jim Flaherty, Minister of Finance
Hon. Gary Goodyear, Minister of State (Science & Technology), MP-Cambridge
Hon. Dalton McGuinty, Premier of Ontario
Hon. Dwight Duncan, Minister of Revenue
Hon. Sandra Pupatello, Minister of International Trade & Investment
Mr. Gerry Martiniuk, MPP-Cambridge
Mr Craig Wiggins, Tooling & Equipment Capital Solutions Inc