



For Immediate Release

CTMA Meets with General Motors Executives in Detroit

Canadian Tooling & Machining Association, Cambridge, Ontario, March 31, 2009... In response to letters sent to General Motors Corporation by several North American tooling associations regarding a comment made by a GM Executive indicating the company's desire to source 100% of its tooling in Low Cost Countries (LCCs), resulted in a meeting with GM Executives on March 24th.

This closed session was held in Detroit and included representatives from the Canadian Tooling & Machining Association (CTMA), the American-based National Tooling & Machining Association (NTMA) and several General Motors Executives. CTMA was represented by Robert Cattle, Jamie Bowman and Les Payne.

GM offered an apology regarding what was referred to as a "flippant comment" which they firmly stated in no way reflects the policy of General Motors concerning the outsourcing of tooling. We appreciated the apology and believe it was sincere; however we made it clear that, regardless of actual GM policy or strategy, a perception exists within the supply base that GM favours the sourcing of tooling in LCCs.

The Executives from GM shared their sourcing strategies and the interdependence with their Tier 1 suppliers. GM stated they do not mandate the outsourcing of tooling to their Tier 1 suppliers nor do they provide restrictions on how sourcing should be done. GM's only policy involves providing guidance on how much Tier 1's should be paying for the tooling.

GM was receptive to the associations' recommendations to work with its North American supply chain to develop solutions that would permit them to compete on a level playing field with the LCCs. GM shared some strategies they are working on which would allow both GM and its supply chain to be more competitive. More importantly, GM agreed the companies that our associations represent should have an active role in the development of these strategies.

The discussion continued around payment term frustrations, design requirements, tool standards and supplier certifications. The GM Executives agreed that they need to have the manufacturing supply chain provide input to enhance their design requirements and tool standards in an effort to seek ways to ensure that tooling can be acquired in North America at competitive prices.

The group discussed the government funding assistance for the automotive sector and it was made clear to GM that our association members would continue to work to influence each respective government to ensure that any public funding support provided would benefit the tool companies in North America.

Moving forward GM has agreed to meet again and create working groups to develop a clearer understanding of the issues and find solutions that address the problems the tool companies are experiencing. Both GM and the associations agreed to meet again in mid-May.

The CTMA and the NTMA are currently developing strategies for the upcoming meetings with GM that includes the assembling of data and information necessary for reference in the development of meaningful and supportable solutions to help North American tooling manufacturers remain viable.

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