

Motor & Equipment Manufacturers Association

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May 20, 2020

The Honorable Steven Mnuchin
Secretary of Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Mnuchin:

On behalf of the motor vehicle parts and components manufacturing industry, thank you for your continued leadership during this time of national crisis. We write to you today as members of the Motor & Equipment Manufacturers Association¹ and leaders in our industry to urge you to engage with members of the Michigan Congressional delegation to specifically address the urgent liquidity issues facing our industry.

Motor vehicle suppliers employ nearly 900,000 people across the United States. While there are many large suppliers with operations in the U.S., two-thirds of this industry's employment is generated by small and mid-sized manufacturers. These suppliers are integral to our national economy and our industry's supply chain.

The motor vehicle industry supply chain is incredibly complex, and each level is critically important to the industry's ability to manufacture vehicles. Past disruptions to the supply chain, whether a result of a factory fire or natural disaster, have led to temporary closures of supplier facilities and vehicle assembly plants. These closures demonstrate the integration within the industry and the potential domino effect of even a few suppliers facing insolvency.

Most small and mid-sized manufacturers were not eligible for PPP funding and have been unable to receive financing through traditional means. A recent industry survey indicated that 21 percent of the supplier respondents have eight weeks or fewer before declaring insolvency. Private funds will not be available to companies about to become insolvent, creating the need for government guarantees. As vehicle manufacturing resumes, these suppliers will have little ability to raise capital to pay for wages, raw materials, or other start-up costs, hampering the ability for vehicle manufacturing to return to this country. The current projections for supplier solvency assume a specific level of business recovery. If recovery is delayed or slowed, the number of companies facing financial insolvency will increase significantly.

¹ The Motor & Equipment Manufacturers Association (MEMA) is the leading trade association representing vehicle suppliers that manufacture and remanufacture components and systems for use in passenger cars and heavy trucks, including original equipment to new vehicles as well as aftermarket parts to service, maintain and repair more than 281 million vehicles on the road today. MEMA represents its membership companies through four divisions: Automotive Aftermarket Suppliers Association (AASA), Heavy Duty Manufacturers Association (HDMA), Motor & Equipment Remanufacturers Association (MERA), and the Original Equipment Suppliers Association (OESA).



The industry turns to you for assistance. We urge you to use the financial tools available through the Main Street Lending Program to temporarily fill a void in our critical industry. This can be accomplished through a factoring program or a traditional loan program. By providing for a shorter loan duration, this funding should be available to the industry on favorable terms. These actions will provide for a more fulsome recovery in our industry and throughout the United States.

Thanks to the President's leadership, this industry has been a vital part of the strong economy. We must remain as a critical partner and integral element of a strong recovery.

We welcome the opportunity to discuss the specifics of this proposal with you at your earliest convenience. We look forward to working with you and addressing the needs of manufacturers throughout this great nation.

Sincerely,

Todd Sheppelman
President & CEO
ABC Technologies

Juergen Peters
General Manager
Behr Hella Thermocontrol, Inc.

Ernie Flurry
President
ACE/MCI Commodities

Joe McAleese
Chairman
Bendix CVS

Steven Schomer
President
Action Wood 360

Gus Anton,
President, Global OE Com Vehicle
Bergstrom, Inc.

Daniel DiSebastian
President & CEO
Acumen Global Technologies

David Overbeeke
President & CEO
Brake Parts Inc

Jim Teets
President & CEO
ADAC Automotive

Daniel Sandberg
President & CEO
Brembo North America, Inc.

Andreas Weller
President & CEO
Aludyne

Shannon Quinn
President - Consumer OE
Bridgestone Corporation

Joe Perkins
President & CEO
Busche Performance Group

Randy Johnson
President & CEO
GST Autoleather

Brian Kupchella
President & CEO
Clarience Technologies

Jason Gerding
President
HD Brakes and 5th Wheel Group, Marmon HTC

Paul Doyle
CEO
Coastal Automotive

Gary Gerstenslager
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James Kamsickas
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Robert Townsend
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Kevin Lammers
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President & CEO
Inteva Products

Tom Rizzi
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Robert Whitney
President
MacLean-Fogg Company

Joseph Ruicci
CEO
Gil-Mar Manufacturing

Don Walker
President & CEO
Magna International

Marc Blackman
President & COO
Gold Eagle Company

Scott Ferriman
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MAHLE Industries

Jeremy Holt
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Peter Butterfield
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Omega Environmental Technologies

Kevin Martin
VP & General Manager
Methode Electronics

Rob Phillips
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Phillips Industries

Jay Craig
President & CEO
Meritor, Inc.

Vinnie Johnson
Chairman and CEO
Piston Group

Paul Thoms
President
Midwest Fuel Injection

John Dunn
President & CEO
Plastic Ominum

Koen Devits
President & CEO
Montaplast of North America

Charles Letts
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James Sheehan
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Kenneth Hopkins
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Armando Tamez
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Mike Mansuetti
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Robert Bosch LLC

Richard LaPlace
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Jon Husby
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SEG Automotive

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