

Rep. Slaughter Seeks Commitment That Delphi Fuel Cell Development Will Continue in Rochester

Rochester, NY – *Congresswoman Louise M. Slaughter (D-Fairport), Chairwoman of the House Committee on Rules, urged Mr. Rodney O’Neal, President and CEO of Delphi Corporation, and Mr. Frederick Henderson, President and CEO of General Motors, to commit in writing to keeping Delphi’s fuel cell research and development operations in Rochester.*

The full text of Rep. Slaughter’s letter to Mr. O’Neal and Mr. Henderson follows:

Mr. Rodney O’Neal

President and Chief Executive Officer

Delphi Corporation

5725 Delphi Drive Troy, MI 48098-2815

Mr. Frederick Henderson

President & Chief Executive Officer

General Motors

P.O. Box 33170 Detroit, MI 48232-5170

Dear Mr. O'Neal and Mr. Henderson,

The Greater Rochester New York region is home to not only GM's preeminent hydrogen fuel cell research and development facility, but is also home to Delphi's largest fuel cell research and development center.

As you know, I have secured \$6.5 million for Delphi to accelerate the development of its Solid Oxide Fuel Cell (SOFC), now expected to be ready for production within three years. In recognition of this significant public investment in Delphi's product development and in light of Delphi's restructuring plan and GM's planned reacquisition of Delphi's Rochester and Lockport

manufacturing facilities, I seek written commitments that Delphi will maintain its fuel cell research and development operations in Rochester and establish SOFC manufacturing operations in Rochester as well.

Delphi's current contract with UAW Local 1097 that extends through 2011 stipulates that any fuel cell technology developed in Rochester will be produced in Rochester. This provided a framework to facilitate efforts to locate Delphi's fuel cell production in Rochester once production begins in 2012. It also makes good business sense to manufacture the SOFC in Rochester to keep the production in proximity to the Rochester SOFC Research and Development facility and the Rochester and Lockport manufacturing centers that supported the SOFC development and produced components for the SOFC prototypes. Moreover, it would better leverage the continued work being conducted at the Rochester Institute of Technology (RIT). Currently the funding I secured is being used to fund a partnership between Delphi and RIT which is accelerating the commercialization of the SOFC and developing ways to manufacture it cost-effectively in time for the expected 2012 launch.

It is paramount to retain the value of this investment and the goal to develop and manufacture this technology in Rochester regardless of Delphi and GM's final restructuring outcome. Whether Delphi retains control of the SOFC intellectual property and licenses its production to GM in the event that GM reacquires Delphi's Rochester manufacturing facility or whether another agreement is developed, it is critical that this matter is resolved prior to Delphi's July 23rd bankruptcy closing. I understand a legacy clause in the current UAW bargaining agreement may even obligate GM to retain the commitment to develop the SOFC in Rochester if it assumes the Rochester manufacturing facility.

Undoubtedly, with the increased emphasis on fuel economy and development of alternative energy sources, products like the Solid Oxide Fuel Cell will yield significant profit potential and will help form the basis of a new stronger product line for both Delphi and GM. Particularly since the SOFC is a proven technology only months away from full scale production it is imperative to ensure its continued development.

Delphi and GM must work to see that the Rochester-based researchers and automotive employees are able to continue their work to develop this fuel cell product in Rochester regardless of both companies' restructuring plans. Thank you in advance for consideration of my request and I look forward to your response.

Sincerely,

Louise M. Slaughter

Member of Congress

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