MAHLE

Driven by performance

July 11, 2007

Ms. Deborah Hennessey
Section Manager – Rapid Response Unit
Department of Labor and Economic Growth
201 North Washington Street
5th Floor, Victor Building
Lansing, MI 48913

Re: WARN Act Notice…

Ms. Hennessey:

This letter provides notice to your Office under the Worker Adjustment and Retraining Notification (WARN) Act. MAHLE Engine Components USA Inc is closing its Harvey Street Machining plant, including its ARC operation and the Sanford Street plate operation, located at 2051 S. Harvey Street in Muskegon. The company is also closing its Prototype Machining Center located at 2001 Sanford Street in Muskegon Heights. The closing of Harvey Street and Prototype was announced on June 20, 2007.

The Prototype Machining Center is expected to close later this year, probably in November or December. Harvey Street Machining is expected to close by December 31, 2008, with the first jobs eliminated in the first quarter of 2008. The closings are expected to be permanent.

All of the jobs in the two locations will be affected. In all, it's expected that 125 people will be separated from their jobs; 99 of those people are actively working today.

The attachment shows the positions that will be affected and the number of people in each. There won't be any bumping rights. The UAW Local 637 represents the Bargaining Unit employees at the Harvey Street plant and in the Prototype Machining Center. The chief elected officer of the Local is President, VP & Chairman Jeff Beegle, and his on-site address is 2001 Sanford Street, Muskegon, MI 49443.

The decision to close the facilities was a difficult one but was based on the company's decision to reduce its over capacity for ring production. Meetings will be held with people in the facilities to discuss the benefits and other assistance that may be available to them. Some people may have an opportunity to transfer, although that isn't known at this time.

If you have any questions about this notice, please contact me, Rick Aubry, Human Resources Manager, at 2001 Sanford Street, Muskegon, MI 49443, phone number (231) 724-1736.

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RAPID RESPONSE
WORKFORCE PROGRAMS

Regards,

Rick Aubry
Human Resources Manager,
MAHLE Engine Components USA Inc

xc: file (w/ attachment)

Attachment – Jobs That Will be Affected by the Closing of the Harvey Street Machining plant and Prototype Machining Center

as of July 11, 2007

Job Title	Number of People in the Job
Prototype Machining Center Operator	5
Machine Repair A	1
Machine Repair B	3
Electrician	3
Union Time Study Steward	1
Tool Inspector	2
Miscellaneous Plate Operator	3
Segment Inspection	10
Shipping	1
Coil Segments	6
Chrome Plate Operator	29
ARC Rail Line	13
General Utility - Maintenance	2
Cut-Off Segments	12
Tool Crib Attendant	2
Lap Chrome Rings	8
Radial Thickness Sorter	1
Service Segments	3
Tool Maker	1
Manager, Prototype Machining Center	1
Prototype Machining Center Coordinator	1
Area Manager	1
Production Supervisor	4
Maintenance Supervisor	1
Site Supervisor	1
Quality Manager	1
Product Design/Routing Engineer	1
Lean Manufacturing Manager	1
Manufacturing Engineering Manager	1
Production Control Manager	1
Production Control Coordinator	1
Benefits Administrator	1
Human Resources & Payroll Administrator	1
Plant Manager	1
Human Resources Manager	1
	125