

February 10, 2010

Members of the Civil Service Commission
c/o Jeremy Stephens
State Personnel Director
400 S. Pine Street
Lansing, MI 48913

Dear Commissioners:

The Michigan Manufacturers Association represents thousands of members ranging the full gamut of manufacturing categories, including, automotive, cement, chemical, furniture, pulp and paper, defense, pharmaceutical, mining, aerospace, tool and die, plastics, to mention just some of the them. Despite severe challenges, manufacturing remains, by far the largest sector of Michigan's economy.

Our goal as an association is to help improve Michigan's business climate to enable the state to attract and retain industrial capital investment and the jobs inherent in that investment. We have been very vocal in the need for fundamental structural cost reform in state government to make Michigan competitive in the increasingly cost competitive global economy.

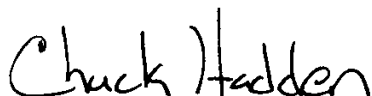
In the face of the dramatic declines in Michigan's economy, we suggest the commission suspend the 3 percent pay increase scheduled for October 1, 2010. Michigan has lost about two billion dollars in general fund revenues in 2009 alone. The current year anticipates an additional \$500 million reduction, and the projected budget deficit for fiscal year 2011 has been estimated to be \$1.7 billion.

While our members recognized and rely on the good work of state employees, Michigan continues to carry the highest unemployment rate in the nation. The stark new realities for this state find our per capita income 40th in the nation, now substantially below the national average.

Our members continue to make the difficult choices to become leaner and economically competitive. Our goal is to change the economic trajectory of Michigan. To do that, state government must make difficult, but essential decisions. There is no single solution. Instead, the aggregate of many decisions that are focused on the goal of reducing the overall cost of government will ultimately save both public and private sector jobs and move Michigan toward economic recovery.

We appreciate your consideration in this critical matter for Michigan's future.

Sincerely,

A handwritten signature in black ink that reads "Chuck Hadden". The signature is written in a cursive, slightly slanted style.

Chuck Hadden
CEO and President