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Partnership Breaks Ground for New General Motors Parts Distribution Center in Hudson

State Provides \$1.15 Million in Grants to Assist Project

HUDSON – At a ground breaking ceremony in Hudson today, Wisconsin Governor Jim Doyle joined with General Motors (GM), the United Auto Workers (UAW), the City of Hudson, the St. Croix Business Park, and Duke Construction to break ground on the site where GM Service and Parts Operations (SPO) will build a new Parts Distribution Center (PDC) in Hudson.

Elected officials from the State of Wisconsin and the City of Hudson collaborated to develop a competitive business case as well as a comprehensive proposal highlighting the advantages of locating the new facility in Hudson. The Department of Commerce also provided funding for the project, including a \$850,000 major economic development grant to the City of Hudson for land acquisition costs, and a \$300,000 customized labor training grant to train nearly 140 employees on new equipment.

"I am delighted to welcome General Motors Service and Parts Operations to Hudson, Wisconsin," Governor Doyle said. "Wisconsin has forged a long and successful partnership with General Motors Corporation, and we look forward to building on that partnership. For the past 80 years, Wisconsin has provided loyal, hard-working employees at the GM plant in Janesville, and GM has repaid that loyalty by providing jobs and investment. That's the kind of success we want to help GM achieve here in Hudson."

The 404,000-square-foot facility will handle automotive replacement part shipments to more than 500 GM North Central Region dealerships in approximately seven states.

The Hudson facility replaces the existing Minneapolis PDC in Edina, Minn., and represents the automaker's dedication to lean and common processes, which are designed to achieve significant improvements in correct and on-time deliveries, cost savings and competitiveness, according to Charlie Hyndman, SPO director of Warehousing and Distribution for U.S. Operations.

"Customer satisfaction is our top priority, and our new PDC facilities better enable our employees to deliver the best results efficiently," Hyndman said.

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"The selection of Hudson speaks volumes for the cooperation of all parties involved and the excellent reputation the City of Hudson has earned," Governor Doyle said. "I am pleased that my administration could assist General Motors with this project by providing these economic development and labor training grants."

"The partnering of General Motors Service Parts Operation with the St. Croix Business Park and the State of Wisconsin will have an impressive impact in our community by adding diversity to our local economy, future tax benefits, and quality employment opportunities," said Jack Breault, Mayor of Hudson. "We look forward to this exceptional addition to our dynamic business atmosphere."

Explaining that Hudson "has welcomed GM with open arms," Hyndman said the Hudson Chamber of Commerce has planned Open House and Family Day activities for employees of the Minneapolis PDC. Scheduled for September 13 and September 27, the Open House will serve to familiarize current Minneapolis PDC employees with Hudson-area housing, restaurants, schools and the community.

"This is a prime example of the City of Hudson representatives going above and beyond to welcome GM into their community," Hyndman said.

UAW Local 722 Chairman, Dave Pertile said union employees support GM efforts to streamline processes.

"Our employees have worked hard to earn the solid reputation we possess," Pertile said. "The investment in a new state-of-the-art facility is a recognition of our efforts."

Construction of the Hudson PDC will be completed by fall 2004, according to Bill DeBoer, senior vice president of Duke Construction.

"This is the fifth facility that Duke and GM have partnered on since 1999," DeBoer said. "We have developed an outstanding working relationship that enables us to expedite processes and leverage resources."

About GM

General Motors Corp. (NYSE: GM), the world's largest vehicle manufacturer, employs 341,000 people globally in its core automotive business and subsidiaries. Founded in 1908, GM has been the global automotive sales leader since 1931. GM today has manufacturing operations in 32 countries and its vehicles are sold in more than 190 countries. In 2002, GM sold more than 8.6 million cars and trucks, nearly 15 percent of the global vehicle market. GM's global headquarters is at the GM Renaissance Center in Detroit. More information on GM and its products can be found on the company's consumer web site at www.gm.com.