

Exhibit B

From: Butler, Jr., John (Jack) Wm <Jack.Butler@skadden.com>
Sent: Friday, May 22, 2009 2:06 PM
To: Sheehan, John <xzfrbt@delphi.com>; Stipp, Keith <keith.stipp@delphi.com>; Sherbin, David <david.sherbin@delphi.com>; Corcoran, Sean P <scan.p.corcoran@delphi.com>
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Subject: Delphi - Proposed Submissions to Judge Morris
Attach: Delphi Mediation Submission.pdf

Attached is the revised mediation submission. Please email me any comments that you may have by 4:00 p.m. EDT today. We will be making the submission late this afternoon.

Thanks,

Jack

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

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CONFIDENTIAL – SUBJECT TO MEDIATION PRIVILEGE – MAY 22, 2009

Delphi Corporation and Affiliated Debtors
Stakeholder Mediation – May 26, 2009
Debtors' Submission -- Perceived Stakeholders' Motivations

<u>Stakeholder</u>	<u>Perceived Objectives</u>	<u>Perceived Concerns</u>
US Treasury Auto Task Force (Capital Provider)	<ul style="list-style-type: none"> Continuation (protection) of supply for GM Maximize feasibility and speed of execution of transaction Minimize transaction economics Induce PBGC to waive alleged "rest of world" liens against Delphi's non-debtor affiliates in order 	<ul style="list-style-type: none"> Delphi's chapter 11 cases remain unresolved and interfere with GM restructuring (including launch of potential GM chapter 11 cases) GM's parts supply is disrupted Delphi solution "costs too much" or is perceived as direct support of automotive supplier base (as opposed to Chrysler/GM centric actions) Criticized or sued for orchestrating a "government taking" of Delphi's assets
General Motors Corporation (Principal Customer)	<ul style="list-style-type: none"> Continuation (protection) of supply even adopting new strategic alternatives to increase vertical integration (engineering and production) to insure supply in harsh economic climate Mitigate GSA/MRA funding commitments agreed to in 2008 to procure Delphi releases Minimize debt repayments to US Treasury (and therefore minimize payments to Delphi stakeholders) Avoid Delphi assets being controlled by Delphi's Tranche C Lenders Satisfy GM-side of dysfunctional Delphi-GM commercial relationship 	<ul style="list-style-type: none"> Delphi loses liquidity and enters into uncontrolled liquidation/shutdown disrupting supply (at likely resourcing cost of several billion dollars to GM and production shutdown of up to 11 months or more) Delphi's assets become controlled by recalcitrant Tranche C lenders and supply is held hostage for repayment of entire DIP outstandings GM management is perceived by UST Auto Task Force as being "too weak" on Delphi's requests (remembering that the Auto Task Force has blocked the three most recent Delphi-GM agreements from becoming effective)

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Delphi Corporation (Debtors)	<ul style="list-style-type: none"> • Maximize business enterprise value and related recoveries for Delphi's stakeholders • Maximize feasibility and speed of execution of transaction (including provision of sufficient interim liquidity runway) • Protect franchise value through continuation (protection) of supply for all customers, preservation of supplier tiers and protection of jobs / retention of human capital • Consummate transaction through POR modifications to achieve comprehensive resolution of Delphi's chapter 11 cases and consummate Delphi's transformation objectives (as modified by the transaction) 	<ul style="list-style-type: none"> • Delphi runs out of liquidity and is forced into uncontrolled liquidation • Delphi is pressured into transaction that does not maximize stakeholder recoveries (i.e., is not reasonably related to hypothetical liquidation outcome) and D&Os are sued • Delphi is pressured into a form of transaction (i.e., 363 sale) that "strips" assets away from Delphi's estates without taking administrative claims that have been incurred in "continuity of supply" arrangement with GM since October 2005 • GM uses Delphi's liquidity constraints to successfully mitigate approximately \$2 billion of future obligations under GSA/MRA that were the basis of GM releases from Delphi • Delphi's former and current salaried workforce are "thrown under the bus" and lose pensions, retiree healthcare, other benefits and severance even though they preserved continuity of supply for customers while successfully executing a portfolio rationalization that sold or closed \$5 billion in annual revenue businesses while also [maintaining] business enterprise value for stakeholders • Pressured to sell company at 30 year historical economic trough resulting is significant impairment to its stakeholders

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<u>Stakeholder</u>	<u>Perceived Objectives</u>	<u>Perceived Concerns</u>
DIP Tranche A/B Lenders (Original DIP Lenders)	<ul style="list-style-type: none"> Tranche A/B outstandings are repaid in full in cash Hedge obligations are repaid in full or cash collateralized (i.e., owned by Tranche A/B lenders) Releases are obtained to protect Agent and Tranche A/B Lenders Tranche C Lenders obtain reasonable settlement (given multiple A/B/C tranche ownership by various lenders including Agent) Non-consensual foreclosure of assets can be avoided 	<ul style="list-style-type: none"> Agent may be sued by Tranche C Lenders if non-consensual deal is forced on Tranche C Non-consensual deal complicates Tranche A/B repayment because of adverse reactions of lenders holding multiple A/B/C tranche investments Tranche A/B Lenders which are TARP recipients are perceived as acting contrary to US Treasury's goals and objectives and governmental relationship is damaged Forced into foreclosure or pursuit of remedies to obtain repayment and there is substantial adverse publicity including direct criticism by Obama Administration and/or Congress
DIP Tranche C Lenders (Roll-Up DIP Lenders)	<ul style="list-style-type: none"> Obtain adequate recovery (i.e., adequate total value and appropriate "composition" of elements in recovery package) Obtain equity in the reorganized enterprise (even if sold) in order to participate in "upside" when industry stabilizes and, eventually, returns to more normalized production volumes 	<ul style="list-style-type: none"> Delphi will enter into non-consensual transaction with GM and Tranche A/B Lenders that will be "forced on" Tranche C Lenders Tranche C recovery will be below estimated value of recovery in "most likely" alternative consensual liquidation scenario Forced into foreclosure or pursuit of remedies to obtain repayment and there is substantial adverse publicity including direct criticism by Obama Administration and/or Congress

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Creditors' Committee (Prepetition Creditors)	<ul style="list-style-type: none"> Obtain warrant structure (or equivalent "hope certificate") that would pay out recoveries if business enterprise value returns to \$7.2 billion range estimated at time of September, 2008 settlement between UCC and GM 	<ul style="list-style-type: none"> Criticized or sued for being shut out of any recovery after having participated in Confirmed Plan that would have provided "par plus accrued" recovery at negotiated business enterprise value Forced into litigation against GM and others for fraudulent conduct arising out of Confirmed Plan and/or September 2008 GM Settlement
Pension Benefit Guaranty Corporation (Guarantor of HRP and SRP)	<ul style="list-style-type: none"> Minimize exposure for potential termination of hourly and salaried defined benefit programs Obtain recovery on alleged "rest of world" liens against Delphi's non-debtor affiliates in order to reduce exposure and "legitimize" foreign liens as a major PBGC "program" objective Obtain "pro-rata" recovery with any Tranche C : Lender recovery 	<ul style="list-style-type: none"> Obtain adverse litigation determination regarding enforceability of alleged "rest of world" liens against Delphi's non-debtor affiliates
[Note: GM is likely to assume HRP because of existing union benefit guaranties.]		

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