

Exhibit F

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

DENNIS BLACK, *et al.*,

Plaintiffs,

V.

Pension Benefit Guaranty Corporation, *et al.*,

Defendants.

Case No. 2:09-cv-13616

Hon. Arthur J. Tarnow

Magistrate Judge Donald A. Scheer

DECLARATION OF JIM DEGRANDIS

Pursuant to 28 U.S.C. § 1746, I, Jim DeGrandis, declare under penalty of perjury as follows:

1. I am a consulting actuary with BPS&M, LLC, a Wells Fargo Company. My office address is 9020 Stony Point Parkway, Suite 200, Richmond, VA 23235.
2. I received my undergraduate Bachelor of Science, with a concentration in actuarial science, at The College of Insurance, New York in 1983. I received my Masters of Business Administration, with a concentration in accounting, at Mary Washington College in 2003. I have been employed as an actuary for more than 25 years. I am an Enrolled Actuary, which is a special certification for actuaries who work on pension issues. In my current position, I am responsible for the completion of actuarial valuations and determining the funding levels and contribution requirements for a number of clients. In the past fifteen years, I have performed or reviewed over 100 actuarial valuations.

3. Here is my analysis of the 2008 AFTAP certification completed by Watson Wyatt in June 2009 and comments on how I believe it is pertinent to the Delphi Salaried Retirement Plan (DRSP) termination.
4. As part of the Pension Protection Act (PPA) of 2006, Congress created a new standard to measure the pension funding levels for all defined benefit pension plans. The Adjusted Funding Target Attainment Percentage (AFTAP) is the ratio of each plan's actuarial value of assets to the plan's liabilities or the present value of benefits. In determining the present value of the liabilities the IRS mandates the discount rate or the interest rate and the mortality table, which are the main assumptions used to value the liabilities, other secondary assumptions like expected retirement age or future salary increases are left to the discretion of the plan actuary. For determining the actuarial value of assets, the IRS allows the choice of either using the current market value of assets or a two-year smoothing average of asset values adjusted for contributions and distributions. If the averaging method is selected, the final actuarial value of assets cannot be outside a 90%/110% corridor of the current market value of assets. The actuarial value of assets is also reduced for any credit balances outstanding. Credit balances are credits for prior year pension contributions above the minimum required contribution for those years that may be carried forward and applied against future year minimum required contributions. From a regulators perspective, the AFTAP ratio provides a standardized measurement to judge the current funded status of a plan, as well as allow them to compare the funded status of a given plan in relation to other defined benefit plans.
5. Watson Wyatt determined the plan liabilities as of October 1, 2008 were \$3,497,701 (\$000) using an interest rate based on the October 2008 IRS yield curve (a 7.50% approximate

average effective rate) and the IRS mandated mortality table. They determined the actuarial value of assets to be \$2,994,788 (\$000) using the current market value of assets without any adjustment for credit balances or funding deficiencies. Thus the 2008 AFTAP was determined as 85.62% or $\$2,994,788 / \$3,497,701$.

6. The AFTAP, by regulation, is also used to determine whether there is a need to place benefit restrictions on the plan. Plans with an AFTAP between 60% and 80% are required to limit the amount of lumpsums or other accelerated payments payable to retirees to no more than 50% of the present value of the single life annuity option. Plans with an AFTAP at 60% or below are restricted from making any accelerated payments to retirees and must freeze benefit accruals for current participants. According to the Watson Wyatt AFTAP certification letter, Delphi had already instituted benefit restrictions due to the bankruptcy filing.
7. In my opinion, it would be very unusual for a plan that is 85.62% funded to require or voluntarily choose termination. In my experience plans with much lower AFTAPs during this time period have continued normal operations. In fact, according to a study by the actuarial firm Milliman, the funded status of the 100 largest defined benefit pension plans was 81.7% during 2009, so the funded status of the Delphi plan, based on the 2008 AFTAP is not out of line with other plans.
8. The reason most underfunded plans choose not to voluntarily terminate at this time is the cost of purchasing annuity contracts to settle the pension obligation. Due to the current low interest rate environment, the prices to purchase individual annuity contracts are at historical highs making it very expensive to settle the obligations. Instead, most plan sponsors with underfunded plans are choosing to freeze their plans, in essence stopping future benefit

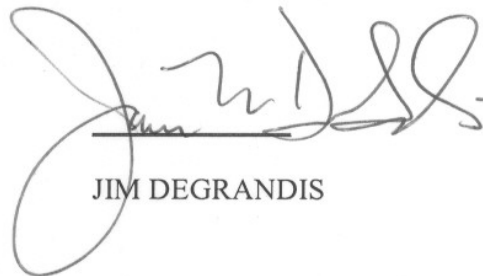
accruals, continue to make participant payments as they come due, and maximize their investment returns on the current asset portfolio while waiting for a better interest rate environment within which to purchase annuities more cost efficiently. The PBGC's involuntary process in essence locks in the annuity purchases to be made at the most cost prohibitive time, since their liability calculations are a proxy to purchasing annuities at the imposed date of termination and do not take into account probable improvements in the future annuity purchase environment.

9. The PBGC memo recommending termination indicates the Benefit Liabilities for the plan are 5,042.5 (\$000) as of January 31, 2009 and the value of assets were \$2,326.3 (\$000) for an unfunded benefit liabilities of \$2,716.2. The PBGC indicates they used an interest rate of 6.02% for the first 20 years, 5.48% thereafter for valuing the liabilities. The nearly 45% increase in benefit liabilities from the Watson Wyatt AFTAP to the PBGC estimate cannot be attributable only to the difference in discount rates used and valuation date, there is a larger discrepancy which may be explained by a difference in the data used for each calculation.

I declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: May 24, 2010

Richmond, Virginia



JIM DEGRANDIS