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December 5, 1986

Volvo-White Joint Venture: The companies are close to the final business agreement and hope to sign before year end. GM has apparently committed to entering the first year (1989) with a minimum 7.5% class 8 market share. Shortfall is to be made up in cash.

Dressed Axle Program: The Eaton committee has met twice to discuss the possible outline of such a program. Major functional areas have identified concerns and initial efforts to develop cost estimates are underway. Opportunities exist for pilot programs at Canadian Kenworth and GMC. However, it is evident that customer OEM's have not clearly formulated their own approach to the issue, making it difficult to gather accurate information.

FORD MOTOR COMPANY

No report submitted.

NAVISTAR

General Comments

The Navistar/Dana partnership is slowly, but effectively, getting underway. Class 8 front and rear drive axles now carry a three-year or 300,000 miles, 100% parts and labor with 100% parts extended to five years or 500,000 miles at no charge transferable to second owner. They also have a Simplified Drivetrain (S.D.T.) on transmissions, drivelines and rear axles for a nominal fee - service contract. On certain vehicles equipped with certain SDT and engines, dealers are offered extended free floor plan and various lucrative discounts. It has been reported that on certain select fleets, spiffs are running as high as \$1,500 if using all Dana componentry.

Purchasing

We have been assured that revised drive axle contract pricing will be in our possession by December 12, 1986. This contract will reflect pricing that was established in September, 1985.

Product Engineering

Drive Axles

We officially received and responded to an RFQ on model 230705. Apparently, this model has created an interest and may service a niche market that neither Dana nor Rockwell can offer at the present time.

Brakes

Commodity Team has arrived at a decision and must have "higher" management approval before announcing that decision. We have been told that we will be advised by December 12, 1986 of their decision.

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P-EAT-0662