Acceturo v. Abex Corp., et al., Superior Ct., Law Division, Middlesex Cty., New Jersey, Docket No. MID-L-6601-99-AS; 03/07/06

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December 5, 1986

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FROM: L.J. Valentine
Axle & Brake - Galesburg

SUBJECT: MARKETING DEPARTMENT MONTHLY REPORT - NOVEMBER 1986

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EAB 031712

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EATON

Internal Correspondence

Date: December 4, 1986

To: G.L. Cotter
Axle & Brake - Galesburg

Copy: See Attached

From: L.J. Valentine - Axle & Brake Division Headquarters-Galesburg

Subject: MARKETING DEPARTMENT MONTHLY REPORT - NOVEMBER 1986

GENERAL ECONOMY

Industrial production is still down. U.S. manufacturers continue to be more competitive by cutting labor costs; but at the expense of slower growth in jobs and incomes. Output growth in the nation's factories, utilities, and mines slowed to zero in the month of October. Output in the fourth quarter started off weak.

Short term effects of tax reform will tend to slow growth -- particularly business spending and construction.

The credit market is resisting lower interest rates at the expense of housing.

The drop off of auto production, which can be extremely volatile, held off the overall October advance, as output of new cars fell to 7.3 million units at an annual rate (from 7.7 million in September). Excluding autos, production would have been up 0.2%

October's production of consumer home goods was still being held by the strength in housing earlier in the year. With housing losing ground, production of home goods may soon follow.

Manufacturing output has been stagnant for the past two months -- and hasn't posted a gain since August -- and that was only 0.2%.

It is expected that consumer spending will not be able to support the economy the way it did earlier in the year. Retail sales plunged 5% in October (to $121.6 billion -- seasonally adjusted).

EAB 031713

P-EAT-0655

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Excluding the two most volatile categories, food and energy, producer prices are up only 2.7% over the past year. This measure of producer-price inflation, which covers about two-thirds of the total index, has fluctuated between 2% and 3% for the past three years.

Despite the upward revision in third-quarter GNP, there are still no conclusive signs of a sustainable economic pickup. It is expected that relatively modest growth for the next two years is in order, with a significant risk of recession during 1987.

North American Truck Market - Medium Duty

1986 truck factory sales for the month of September were reported at 13,110 vehicles. This is a 30.1% reduction from a very strong sales level in September, 1985. Sales continue to be on track for a year end volume of 148,000 trucks. The current forecast for 1987 is for 140,000 units. This represents a demand level which is basically flat and assumes that imports will increase their market share at the expense of North American truck factory sales.

CLASS 5 - 7 TRUCK FACTORY SALES BY QUARTER

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	TOTAL
1985-Actual					
Units	34.9	44.7	43.0	37.6	160.2
SAAR	144	147	181	175	
1986-Profit Plan					
Units	40.5	43.0	31.8	27.9	143.2
SAAR	169	147	133	123	
1986-Forecast					
Units	36.8	42.1	34.1	35.0	148.0
SAAR	153	144	143	152	
1987-Profit Plan					
Units	34.4	41.3	32.3	32.0	140.0
SAAR	143	141	135	141	

North American Truck Market - Heavy Duty

The Class 8 market continues at a fairly strong pace going into the last part of the year. This strength will generally continue into the first part of 1987. The last reported month, September, had factory sales of 11,433 vehicles, a 5.1% reduction from September of 1985. The 1987 Profit Plan forecast continues to reflect a year of 140,000 trucks spread fairly evenly over the quarters. This forecast is based on an economic scenario of continued slow growth in the U.S. economy.

EAB 031714

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CLASS 8 TRUCK FACTORY SALES BY QUARTER

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	TOTAL
1985-Actual					
Units	40.6	43.5	31.9	35.8	151.8
SAAR	165	160	138	144	
1986-Profit Plan					
Units	33.7	38.1	31.7	31.6	135.1
SAAR	136	141	137	127	
1986-Forecast					
Units	32.2	37.0	29.8	33.0	132.0
SAAR	130	137	129	133	
1987-Profit Plan					
Units	34.6	37.5	32.4	35.5	140.0
SAAR	140	130	139	143	

EATON CLASS 5-7 DRIVE AXLE PENETRATION

Our monthly share figures show that our shipments for the months of July and August were not proportionately as low as the market was down in that period -- resulting in disproportionately high share for those months. Our share for September and October will be low compared to recent months, but it is due to the expected loss of share at Ford.

At this point, it appears that we will end the year at the cumulative level of share within one half percentage point below the level that we show for this month (September).

Our share at Ford will drop to about 41% for the year, at GMC share should end at 55%, near 9.9% for NIC, and should be 0.9% for others.

Compared to the year-end cumulative share position for 1985, the September 1986 cumulative share position at GMC is up 4.7%.

The same comparison at Ford reveals that we are down 10.4%; are down 35.4% at NIC; and are down 50.0% at other O.E.M. -- for an overall share drop of 10.8%. In comparing nine months 1985 to nine months 1986, the overall drop is more significant (down 12.2% in total).

	Y-T-D 8 MONTHS 1986	Y-T-D 9 MONTHS 1986	Y-T-D 9 MONTHS 1985	Y.E. 1985	P.P. 1986
Ford	56.1%	50.9%	57.0%	56.8%	30.7%
GMC	47.1%	50.8%	48.4%	48.5%	61.5%
NIC	9.2%	9.3%	15.5%	14.4%	17.7%
OTHER	0.8%	0.8%	0.8%	1.6%	0.5%
Total	34.9%	34.6%	39.4%	38.8%	36.4%
86 vs 85		-12.2%			
YTD 86 vs PP		-4.9%			

EAB 031715

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EATON CLASS 8 DRIVE AXLE PENETRATION

Our cumulative share of the class 8 market rose to 25.6% in March (calendar year), then fell continuously to 24.1% in July; but is steadily rising (is currently 24.5% for September), and will continue to do so -- to reach or exceed the Profit Plan level for the year.

Compared to the same nine month period for 1985, our share is up 89.4% at NIC, 29.5% at Kenworth, 24.0% at Volvo White, 15.0% at Peterbilt, 13.9% at Others, and 8.8% at GMC.

We post losses in share for that same nine month period of 91.7% at Mack, 42.3% at Western Star, 8.2% at Ford, and 3.2% at Freightliner.

The total nine month share comparison between 1986 and 1985 reflects share improvement of 16.7%.

	Y-T-D 8 MONTHS 1986	Y-T-D 9 MONTHS 1986	Y-T-D 9 MONTHS 1985	Y.E. 1985	P.P. 1986
Ford	32.1%	30.2%	32.9%	31.0%	29.5%
Freightliner	37.3%	36.8%	38.0%	37.0%	35.9%
GMC	22.3%	22.3%	20.5%	18.9%	33.3%
NIC	16.2%	16.1%	8.5%	9.0%	13.6%
Kenworth	44.0%	45.6%	35.2%	36.0%	38.6%
Mack	0.1%	0.1%	1.2%	1.0%	1.6%
Peterbilt	45.7%	46.8%	40.7%	40.7%	42.0%
Volvo White	20.2%	22.2%	17.9%	20.6%	27.3%
Western Star	26.1%	29.1%	50.4%	48.9%	34.6%
Others	12.0%	13.9%	12.2%	18.1%	14.9%
Total	24.5%	24.5%	21.0%	21.0%	24.8%
86 vs 85		16.7%			
YTD 86 vs PP		-1.2%			

EATON STEER BRAKE PENETRATION

The year-to-date share position compared to Y-T-D 1985 reveals that we have improved 221.1% at Kenworth, 110.2% at Volvo White, and 84.1% at Peterbilt.

We are down 84.1% at Ford, 39.6% at Mack, 25.4% at Freightliner, 16.4% at NIC, and 13.5% at Western Star -- for a total loss of 21.4%.

EAB 031716

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	Y-T-D 8 MONTHS 1986	Y-T-D 9 MONTHS 1986	Y-T-D 9 MONTHS 1985	Y.E. 1985	P.P. 1986
Ford	8.6%	7.6%	47.7%	45.8%	2.5%
Freightliner	16.4%	15.6%	20.9%	20.1%	20.0%
GMC	0.0%	0.0%	0.0%	0.0%	0.0%
NIC	22.4%	22.4%	26.8%	27.0%	29.0%
Kenworth	45.4%	48.8%	15.2%	17.1%	10.0%
Mack	20.3%	21.2%	35.1%	31.7%	42.5%
Peterbilt	54.9%	61.3%	33.3%	34.2%	44.9%
Volvo White	10.3%	12.4%	5.9%	8.4%	5.0%
Western Star	8.5%	9.0%	10.4%	8.2%	10.0%
Total	19.1%	19.8%	25.2%	24.7%	19.6%
86 vs 85		-21.4%			
YTD 86 vs PP		1.0%			

EATON DRIVE BRAKE PENETRATION

The year-to-date share position compared to Y-T-D 1985 reveals that we have improved 60.7% at Kenworth, 14.4% at Volvo White, 2.0% at Peterbilt, and 0.9% at Mack.

We are down 87.5% at Ford, 50.1% at Western Star, 18.1% at Freightliner, 16.1% at Navistar, and 5.7% at GMC -- for a total loss of 20.4%.

	Y-T-D 8 MONTHS 1986	Y-T-D 9 MONTHS 1986	Y-T-D 9 MONTHS 1985	Y.E. 1985	P.P. 1986
Ford	8.2%	7.2%	57.4%	53.6%	31.5%
Freightliner	34.6%	34.0%	41.5%	40.3%	40.0%
GMC	3.4%	3.3%	3.5%	3.3%	3.4%
NIC	18.1%	18.3%	21.8%	21.0%	23.5%
Kenworth	50.3%	52.7%	32.8%	32.5%	20.0%
Mack	10.4%	10.7%	10.6%	9.3%	11.1%
Peterbilt	72.1%	76.0%	74.5%	77.4%	79.9%
Volvo White	13.6%	14.3%	12.5%	13.7%	15.0%
Western Star	23.6%	27.2%	54.5%	58.1%	54.9%
Total	22.4%	23.0%	28.9%	28.3%	22.7%
86 vs 85		-20.4%			
YTD 86 vs PP		1.3%			

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EATON ON HIGHWAY STEER AXLE PENETRATION

The year-to-date share position compared to Y-T-D 1985 reveals that we have improved share 200% at "Other" O.E.M., 28.9% at Kenworth, and 1.2% at Peterbilt. At Navistar, the figure is very high, as we just began shipments in the middle of last year.

The same comparison reveals losses in share of 64.7% at Western Star, and 5.2% at Freightliner.

Overall, we show a 31.2% improvement in the nine month 1986 vs 1985 figures.

	Y-T-D 8 MONTHS 1986	Y-T-D 9 MONTHS 1986	Y-T-D 9 MONTHS 1985	Y.E. 1985	P.P. 1986
Freightliner	18.4%	18.4%	19.4%	18.7%	15.0%
Kenworth	33.3%	35.2%	27.3%	31.8%	29.0%
NIC	5.0%	5.0%	0.1%	0.8%	3.0%
Peterbilt	40.5%	41.3%	40.8%	43.1%	44.0%
Western Star	5.6%	4.9%	13.9%	12.8%	15.0%
Other	0.3%	0.3%	0.1%	0.1%	0.0%
CLASS 8	10.9%	10.5%	8.0%	8.8%	9.6%
86 vs 85		31.2%			
YTD 86 vs PP		9.4%			

OEM ACTIVITY

GENERAL MOTORS

General

GM's order board is showing some strength as the large medium duty orders placed by Ryder, Hertz-Penske and UPS are loaded. Heavy duty activity is also steady and most of the large fleet business that has historically been GM's is still in-house. The most recent example is a 1000+ unit order from Yellow Freight.

Air Brakes

Purchasing has requested quotes for air brake volumes related to the GMT530 program from Eaton and Rockwell. Eaton's position is favorable since brakes are a critical part of the program to provide "dressed" drive axles to the assembly plant. Rockwell has a strong constituency, but the decision to bring axles from an Eaton shop may have a major influence on the brake sourcing decision.

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Drive Axle

The "second design" data book has generally cleaned up the problems which existed with heavy duty axle listings in August. In spite of the improvement, several minor points still exist.

Rockwell R160 pricing is also a problem. According to GM, it is so low they are "doing Eaton a favor" by displaying it at no charge to the 23105S.

Tandem Axle Product Line Revision: It appears GM will stay with DS381 and DS460P through the MY87. While there has been no formal response, engineering is reluctant to make the change mid-year. Next step is to push the issue through purchasing.

New Hypoid Ratios: GM continues to press over the availability of more popular SEO ratios for the 15040 and 21065S hypoids. The second major release of eight ratios for these axles will be ready in January.

Marketing

Eaton has offered a $75 cash rebate for tandem axles purchased in the second round of the "Silver Aero" promotion. The second promotion will feature the setback axle variant of the General.

GM is taking various steps to keep Class 8 business levels stable. The most recent is a 7.9% financing program for dealers. Generally, the intention is to provide more dealer incentive programs, augmenting the large fleet sales efforts.

Eaton began the "Setting New Standards" program with Chevrolet in November. Chevy dealers will receive all mailings previously sent to GMC dealers.

Future Programs

GMC Business Plan

GMI530: Corporate management has signed off the program for MY90 introduction. This means budget will be available for both development activities and operations. Staffing should increase quickly and the program's pace accelerate noticeably in January.

Janesville, Wisconsin has been formally announced as the assembly facility for the 530 vehicle. There are numerous rumors about the fate of the Pontiac plant.

Eaton has submitted a final quote on steer axles for the 530 program. Of the original competitors, only Eaton, Dana and Rockwell are quoting the second round.

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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 23070S. 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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CRANE CARRIER

The City of New York has awarded Crane an order of 235 vehicles. In turn, we will supply 100% of our 18F3 front axles and 125 sets of DP485-P. Single rear drive axles will be Rockwell since we do not have a 16.5 X 7 brake that will certify at 27,500 pounds.

FREIGHTLINER CORPORATION

Engineering

The Freightliner air brake standardization has been completed. Implementation will take place early in the first quarter of 1987.

Our 402 axles are being released for January availability. The change to the "white" style housing will be postponed until May 1987. "White" housings, half-round yokes, 461, 521 axles will all occur simultaneously with the May time.

Due to an urgent meeting in Germany, the Freightliner visit to our Galesburg facilities has been cancelled. At this time it appears that March 1987 will be the earliest possible time for the meeting to be rescheduled.

Marketing and Sales

Data book revisions will be issued late this month. The effective date is January 1, 1987. These revisions will have our 402, 460 and 480 axles available for the 112 series truck models. All other truck models will show the 402, 23105S and the 23105C. Our 461, 521 axle will remain unpublished (unrevised) until July 1987 revisions.

Freightliner will have ended 1987 with the highest daily production rates in the history of the company. They expect their share to hit the 19-20% level, feeling that the share increase will have been taken from Navistar and Mack.

Thus far, they expect to have strong order boards through mid-February 1987. The expect their share to increase slightly in 1987, with 1987 market to be very similar to that of 1986.

KENWORTH TRUCK COMPANY

Engineering

Eaton brakes with non-asbestos linings are being released in December 1986. The change will be implemented on a plant by plant basis allowing existing inventories to be exhausted prior to using the new non-asbestos lined brakes. Complete change over should occur prior to February 1, 1987.

With the crack pressure revisions by Kenworth (5.5 psi) and the implementation of E-145-A lining, Kenworth feels that the drum cracking problems will be behind us. The Gunite drum issue will remain resolved until Gunite changes their position and their product quality issues.

Full implementation of the Dana half-round end yoke will be completed by year end. The pricing issues have been resolved internally and will be presented to Kenworth next month.

The pin type wheel bearing nuts will be implemented as a running in January 1987.

Marketing and Sales

Kenworth marketing was approached about our extended service brake and asked to consider how they would see it marketed with the near-term plan to have it become the standard brake. Their response was positive and they asked that we consider offering it as an exclusive Kenworth, or if not, at least to Paccar (Peterbilt and Kenworth). We advised they we would consider their request.

The Kenworth concerns relative to our proposal were directed specifically to three areas. First, was how would they receive their share of the rebate and how would they be able to price their trucks. Second, was the lack of total product coverage, i.e. steering axles, 14.6K, 16K, and 20K ratings plus extra heavy tandems in the 70K weight range. The third concern was about their ability to reach the attractive share levels without imposing significant data book penalties for Rockwell axle products.

PETERBILT MOTORS COMPANY

Engineering

Peterbilt engineering will release E-145A lining for the appropriate brake groups timed for July 1, 1987 production. Further releases of non-asbestos materials will not occur until adequate testing is completed for the other friction ranges.

The half round end yoke releases are being processed at this time. The pin type wheel bearing nuts will be made as a running change and should be complete by February 1, 1987.

Cal Burgin has recently been promoted to the position of Assistant Chief Engineer, reporting to Mr. Joseph Neff, Chief Engineer.

EAB 01127

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Marketing and Sales

We have agreed to participate in Peterbilt's 357 Spring Construction Special that begins immediately.

We have approached Peterbilt's marketing about our extended service brake in the same manner as Kenworth. The bottom line was, extended service at competitive prices can be sold. An exclusive would be nice, but Peterbilt could also include Kenworth with no problems.

MACK TRUCK

A study is being done by Mack Engineering for a presentation to Mack Purchasing on suggestions regarding weight and cost reduction on axles and brakes. It had previously been pointed out to Mack Engineering that weight and cost reductions could be obtained by Mack by using the Eaton L.W. 16.5 X 7 brake but only if Mack redesigns their axle housing to accept a 1.75" brake offset.

Mack plans to change the flange offset to the "R" series wheel end on their 38K/40K bogies and will then be able to use 1.75" brake offsets.

Mack Engineering researched brake costs from Dana on both Eaton and Rockwell and found the potential savings in the Eaton L.W. brake from costs already in their system.

Mack could change axle arrangements to call out Eaton or press Rockwell for lower prices on the particular brake assemblies.

VOLVO WHITE

Autocar

Autocar Engineering has decided (with Greensboro approval) that they will not release the new Eaton H.D. tandems on the Autocar vehicles. Decision was made due to Autocar being phased out of production at year end 1986. The new tandems will be released on the new vehicle scheduled to replace the Autocar.

All orders for current Eaton axles and brakes will be honored on a T.S.D. basis until the Autocar is out of production.

New River Valley

Volvo Engineering at NRV has decided to release the EFA12F4 steer axle on their chart drawings where applicable. This means that the 12F4 will be shown under six (6) VWTC part numbers.

EAB 031723

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VWTC Tech Service

Marty Mertz, National Training Manager - Greensboro, has requested Eaton participation in 1987 component training seminars to be held at their corporate training center. A commitment has been given for Axle & Brake participation sometime in March, April or June for two, two-day sessions to include a sales features presentation, failure analysis and service, maintenance including teardown.

In attendance will be VWTC Corporate people as well as dealer-distributors.

INDUSTRIAL SALES

Spartan Motors - Charlotte, MI

Spartan remains standard with Eaton front and rear axles, with brakes on their motor home chassis. They expect to build 50 to 75 units per year. They recently received an order for ten fire trucks spec'ing Eaton front steer axles, and will also consider our 22K rear. Eaton has rated our EFA-12F4 at 14,600 lb for these fire trucks.

BMY - Marysville, Ohio

Joint sales call with R. VanWormer to discuss CTIS for BMY production units starting in July, 1987. Also reviewed their Q.C. requirements as they relate to the military. BMY has firm order for 15,000 units, with options for an additional 15,000 units over a five-year period.

Federal Motors - Ocala, Florida

Received word that Federal has agreed to standardize on Eaton front axles, rear axles, and brakes on fire truck, trolleys, and sweeper chassis starting in 1987. It was indicated that within the next 12 months, Federal may change their buying habits to purchase axles, brakes, and hubs and drums loose. This would help us with the disc brake problem at Federal Motors.

Bombardier - Montreal, Canada

A visit made to Bombardier to discuss a RFQ to supply axles for a future military program. Program is for the Canadian army, and consists of either 500, 700, or 1,000 over a 15 month period. Contract award would be made in March, 1988, with production to begin July of 1989. Bombardier is competing against GMC and Kenworth.

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BMY - Ann Arbor, Michigan

Gary Schultz and writer visited the engineering and purchasing personnel to discuss a request by BMY to change a speed transducer from a Synchro Start design to a unit manufactured by Dana Precision Controls Division for our CTIS. This request was due to a potential cost savings, as the Dana device is approximately $24.00 less than the Synchro Start device. However, because of our concerns of possible deficiencies associated with the Dana device, and the fact we made it quite clear we would not be responsible for any problem/losses resulting from a failure of the Dana device, BMY decided to stick with the Synchro Start unit.

I.R.I.

IRI Engineering is currently designing a refuse packer similar to a crane carrier. The first prototype is scheduled to be built by the beginning of the second quarter of 1987.

The DS-460P will be the standard rear axle with the DP-460P, DS/DP-480P listed as optional.

A 20,000# steer axle will also be designed into this truck but a decision on the supplier has not been determined.

Ottawa Truck

Ottawa Truck, the largest manufacturer of trailer spotters, has built and sold its first six refuse packers, four in New York and two in Lawrence, Kansas.

Rockwell axles are standard in Ottawa's trailer spotter, and also in the six refuse trucks that were sold. However, Sales has received a number of inquiries relative to the use of Eaton tandems.

Trinity Industries

Trinity is bidding on a TransAmerican trailer order calling for 250 trailers.

Trinity Purchasing Manager, feels confident that Trinity will receive this order and will place an order for the HJ-501-IG2V as soon as confirmed.

TMC

The use of our 23070S was approved for the TMC (Greyhound) bus. However a 102" track housing is needed which will be pursued with Engineering.

TMC Purchasing informed me that it is willing to switch to our 12F4 totally in 1987 if we agree to make it available with a 14,600 lb rating (probably 1988). F. Palmeri has this project on his priority list.

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TMC builds 400 to 450 buses per year.

If we make a 14,600 # rated 12F4, TMC Management feels that MCI - Winnipeg, Canada (approximately 750 yearly build) will also switch to it. In order for us to be certain, a visit should be made to MCI.

Eagle Transportation

Per request from Eagle Management, a product presentation was made to the Purchasing and Engineering departments. Our current and future products were covered much like the presentation held for Transportation Mfg Corporation.

Engineering has agreed to make some design changes to accept our 23070S if the decision is made to go with it.

Application approval forms covering steer and rear axles will be forwarded to my attention shortly.

Eagle builds approximately 200 buses per year and which includes all Trailway buses. Both 96" and 102" tracks are built. We are in a better position here than we are at most bus manufacturers since a 16 1/2 X 8 5/8" brake is standard.

TRAILER ACCOUNTS

Reports from major trailer manufacturers indicate that trailer orderboards continue to decline. However, there are several trailer orders that are scheduled for production in January, 1987; i.e., Stoughton has approximately 1,000 for Post Office and Kentucky received orders from Frito-Lay and North American Van Lines.

Strick Corp - Fairless Hills, PA

Strick received an order for (400) four hundred single axle trailers for Yellow Freight. Although Yellow Freight informed Howard Passage they would accept Eaton trailer axles, we were unable to obtain the order. By the time they informed Mr. Passage about the order at Strick, the trailer axles had been ordered and received plus they were already building the bogies.

Dorsey Trailer - Elba, Alabama

The word is that Dorsey Trailer has been sold to a group of private investors. The name of the investors should be made public in the near future. The news release states that present management will remain unchanged.

Dorsey has asked if we could start shipping an order of 500 model 230C's at the rate of 150 per week starting in January, 1987. This would be for a trailer order at Howard Express.

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Kentucky Trailer - Louisville, KY

Kentucky received orders from Frito-Lay and North American Van Lines for trailers requiring 767 axles. The bulk of these trailers will be built starting in January, 1987.

Utility Trailer - City of Industry, CA

Utility strongly objects to our conclusions in the brake balance analysis tests dated 8-5-86/8-7-86, at All-State Leasing. The report indicates that the problem of tire flat spotting is a result of the Sealco valve on the Utility trailers.

Crown Coach - Chino, CA

Crown Coach requested we offer a proposal on all the front steer and drive axles they currently purchase from Rockwell. We obtained the necessary data and this will be used to offer our proposal. However, before additional work requested from Engineering, we are requesting the Credit Department to obtain a financial report on Crown Coach.

Fabco - Oakland, CA

The concern at this company is who will purchase them. Although Fabco's business continues to be good, most of the conversation is regarding their future.

Stoughton Trailer - Stoughton, WI

We obtained the order for the trailer axles to be used on the 972 tandem Post office trailers. The bulk of this order will start in January, 1987. This order should re-establish Eaton as a major trailer axle supplier at Stoughton.

GOVERNMENT PRODUCTS

No report submitted.

PRODUCT MANAGEMENT

DS/D1/DP402(P) Tandem Phase In

Coordination of this product phase-in with our major customers continues on-schedule per the timing indicated in the monthly report on product phase-in and phase-out.

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