we expect $39 to be recoverable from our insurers and under surety bonds provided by the defaulting CCR members. Our financial statements include our obligation relative to these contingencies, which are separate from the asbestos-related product liabilities discussed above.

Restructuring

During 1999, we continued executing the restructuring and integration plans announced in 1998 following our acquisition of Echlin Inc., including the closing and downsizing of facilities begun in 1998. We incurred integration charges of $51 for relocating assets, training and relocating employees and other integration activities at the acquired operations. These costs were charged to expense as incurred.

During the fourth quarter of 1999, we announced plans to downsize and close additional operations in the U.S., South America and Europe and recorded restructuring and integration charges totaling $170. The charges included the costs of exiting businesses, asset impairments and termination benefits. The announced restructuring and integration plans included closing five facilities, downsizing three facilities and terminating 1,280 people. The largest component of these plans was the downsizing of our Reading, Pa., structures facility. In total, $229 was charged to income during 1999. This amount consisted of $181 charged to restructuring and integration, $57 charged to cost of sales and a $9 gain recorded in other income on the sale of our marine and outdoor power equipment business, Sierra International Inc. (Sierra).

During the third quarter of 2000, we announced plans to close our Reading structures facility and terminate approximately 690 people and recorded restructuring charges of $53. In the fourth quarter of 2000, we approved plans to close facilities in France, the United Kingdom and Argentina, resulting in $34 of charges and a workforce reduction of approximately 230 people. We also incurred integration expenses in 2000 related to consolidating our Engine Management warehouse operations and moving operations from closed facilities.

In the first quarter of 2001, we recorded $22 of restructuring expense in connection with the announced closing of six facilities in the ASG and EFMG and workforce reductions at other facilities. These charges included $10 for employee termination benefits, $7 for asset impairment and $5 for other exit costs and impacted net earnings by $14. We announced additional facility closings in the third quarter and accrued additional restructuring charges of $12, affecting earnings by $7.

In October 2001, we announced plans to reduce our global workforce by more than 15% and initiated a review of more than 30 facilities for possible consolidation or closure. These actions were undertaken to reduce capacity and outsource the manufacturing of non-core content and other non-core processes. As of December 31, 2001, we had announced the closing of 21 facilities and reduced our work force by more than 7% in connection with these plans. Charges related to our actions announced in October were $431 and affected net earnings for the quarter by $279. Charges for all restructuring activities during the quarter totaled $440, including $155 for employee terminations, $196 for asset impairments and $89 for exit and other costs. We charged cost of sales for $85 of these expenses, including $38 for inventory impairment. Net earnings in the fourth quarter of 2001 were impacted by $284.

For the year ended December 31, 2001, we recorded total expenses of $476, including $390 charged to restructuring expense and $86 charged to cost of sales, in connection with our restructuring actions. In 2002, we expect to reduce our workforce further and announce additional facility closures related to our October 2001 initiatives. We expect the cost of these actions, along with related activities that must be expensed as incurred, to reduce our 2002 net income by $166. Including these projected expenses, the total after-tax cost of our October 2001 initiatives is estimated at $445. We expect our actions to reduce our break-even point by eliminating excess capacity. The related savings for the year ending December 31, 2002 are projected to be at least $80 after tax.

The following table summarizes the restructuring charges and activity recorded in the last three years:

	Employee Termination Benefits	Long-Lived Asset Impairment	Exit Costs	Integration Expenses	Total
Balance at December 31, 1998	$116	$	$ 11	$	$ 127
Activity during the year					
Charges to expense	60	59	11	51	181
Cash payments	(85)		(9)	(51)	(145)
Write-off of assets		(59)			(59)
Balance at December 31, 1999	91	-	13	-	104
Activity during the year					
Charges to expense	62	8	27	76	173
Cash payments	(60)		(20)	(76)	(156)
Write-off of assets		(8)			(8)
Balance at December 31, 2000	93	-	20	-	113
Activity during the year					
Charges to expense	**171**	**166**	**53**		**390**
Cash payments	**(58)**		**(20)**		**(78)**
Write-off of assets		**(166)**			**(166)**
Balance at December 31, 2001	**$206**	**$ -**	**$ 53**	**$ -**	**$ 259**