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G.L. Cotter
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Kenworth purchasing has asked us to verify prices on a number of front axle, rear axle, rear brake specs currently in the Kenworth databook. They are reviewing pricing of all component products to prepare their April 1, 1984 databook revision. The information has been forwarded to K. Swift for completion.

H. PETERBILT

The news continues to be encouraging regarding incoming orders. Peterbilt Purchasing believes the worst use scenario for the remainder of this year is stable production at current levels. There is a greater than 50% chance that higher line rates will be achieved within the next month. In point of fact, Peterbilt is expecting to raise line rates to the following levels next week: 18 per day at Newark, 18 per day at Nashville, 8-9 per day at Denton, 2-6 gliders and service cabs are included.

For reasons similiar to those cited in the Kenworth portion of this report, we have delayed introduction of our new brake shoe to September 26th at Peterbilt. This has been reviewed with Peterbilt Purchasing and Engineering and I have verbal concurrence to the program. Peterbilt's primary concern is that we acknowledge the requirement to protect them with existing product until they are able to balance out plant by plant inventory. This was done by written communication with Tom Paver of Peterbilt Divisional Purchasing.

We have proposed a promotional program to Peterbilt Marketing to obtain greater share of production volume. S. Meeker, Marketing Manager has evaluated our proposal and indicated he wishes to take advantage. He will try to do so by incorporating it into a larger Peterbilt on this program is expected early the week of August 29. If Meeker can do what he wants, we will be listed as a participant in the stock rebate program to be introduced immediately to Peterbilt dealers. The program will allow dealers something on the order of a \$5,000.00 rebate from Peterbilt factory, plus the additional rebate cited in our promotional proposal. Meeker does want to make several modifications to our offer. Since brakes are a generic product (i.e. Eaton brakes are standard in all Peterbilt vehicles) he does not want to call attention to the dealers' ability to modify orders in the brake area. He want to drop reference to the Eaton rear brake as a condition for rebate. He also does not want to restrict our program to just highway tandems. In his view, all Eaton axles ought to qualify for rebate. The program will commence with qualifying orders effective August 1st with delivery requested in the 4th quarter of '83. The program in reality will last until early to mid-Nov.; since orders received after that date cannot be delivered in the 4th quarter.