

requirement for class actions

- Recovery of all warrantor "foot-dragging" costs for plaintiffs
- The manufacturer buying back a "lemon" even under a limited warranty. Here, consumers could be allowed to sue under Magnuson-Moss, and also keep and use the car during the dispute.
- If the automaker does not adopt a voluntary impartial procedure for settling disputes, Congress should impose mandatory processes.

These are the recommendations made by the task force. The group concedes, however, "Improved information plus improved warranty performance are probably the most that can be done regarding 99% of defects."

It admits, too, that "devising a satisfactory system of consumer information is not easy for so complex a piece of equipment" as a car.

To fill that void, the FTC has joined hands with the National Highway Traffic Safety Administration to develop an information system for public disclosure of durability, reliability and crash-worthiness.

For "serious and egregious" defects, the report suggests "special attention." A trigger would be set by examining three areas: "the number of cars affected, the potential damage, or cost of repairing the defect to the consumer, and time (mileage or age of the car)."

If the trigger is activated, the staff recommends blasting the manufacturer with public notice to all potential buyers, by stickers in the window of affected new cars and mandatory inclusion in company advertising for the model. Notice to all existing buyers together with an offer to repair or compensate should follow.

This action would shift the cost of a design defect to the auto maker by depressing the price of the unsold cars and increasing the cost of

repairs, compensation and notification, the staff foresees.

Manufacturers "must be faced with the prospect of having to pay the costs should a defect slip through their testing," the report stated. Otherwise, they would be inclined to "under-test."

Yet, under most actions involving recalls for faulty mechanisms, car makers usually incur the cost of repairs themselves at franchised repair shops.

In any event the staff admits, "More testing would raise the price of cars, but would spread the risk and reduce cost to those buyers who got stuck with defects after buying."

FTC policy planning director Robert B. Reich told Automotive Industries, "We will be speaking softly, but carrying a big stick." While the coiner of that phrase,

We will be speaking softly, but carrying a big stick.

Teddy Roosevelt, had an entire nation's military behind him, Reich's arsenal is litigation and rule-making, which the bureaucrat says the agency wants to avoid using, but will if necessary.

The FTC's aggressive tone stems from a two-year-old, multi-phase program.

Phase One included antitrust investigation (still going on) and a close look at warranty performance and auto repair. The trophy from that assault came in the filing of a defects case against Ford Motor Co.

Phase Two is the jawboning approach with the AWC sending out coordinator Larry Kantor to do most of the talking.

Kantor claims that one quarter of all car buyers receive warranty service with which they are dissatisfied.

Without being specific, Kantor said he would like to see consumers have a "whole range of choices" on warranty terms and costs. "You have to wonder why there has been only one level until recently."

He insisted the FTC doesn't want to set specifications for warranties, but would rather see the car makers offer prices and levels of coverage because "the marketplace is still the best test."

Kantor plans to meet with key auto people to "get a dialogue going." He wants to find out what industry plans are afoot for the next five to ten years, and what effect government is having on the industry.

Asked if FTC proposals piled on top of fuel economy, emissions and safety standards, plus pressure to build a "supercar" might be overloading the industry and pushing prices up, Kantor said, "Regardless of where pricing pressure comes from, that doesn't relieve the need to keep prices down."

"I don't see the industry as beleaguered, they are groping for solutions," he observed. "The Big Three have already set up alliteration of dispute programs. They must feel they need to gain credibility."

Echoing a sentiment shared more and more governmental officials, as reported elsewhere in this issue, Kantor sees the FTC's role encouraging more automobile experimentation and calling for innovation in marketing.

"Our role is to be the catalyst," he concluded — Paula D. Hodges

Age Of Asbestos On Vehicle Parts Ending

Raybestos Friction Materials, a unit of Raybestos Manhattan, put a halt to the manufacture of brake linings and other parts contain asbestos.

The company brought out president, vice president of marketing, director of research and development, and manager of production, a press conference at its new quarters in Trumbull, CT to announce the development.

The conference was called exclusively for Chilton Co. magazine editors.

NEWS/ANALYSIS

Dr. J. T. Trainor, Raybestos R&D director, announced a variety of materials will be used to substitute for asbestos. The company's modern day alchemists have concocted a blend of man-made inorganic fibers, natural inorganic fibers and

A bewildering array of materials will be used.

natural organic fibers to replace the mineral fiber that asbestos is. These fibers include, respectively, fiber-glass, wollastonite and graphite, cotton, sisal and jute.

All told there will be 10 to 15 components in a given friction material: 40% fiber, 20% resin binder and 40% friction modifiers. In the selection of the alternatives to asbestos, the company looked for substances that would provide wear resistance, noise abatement, adhesion, safety and heat absorbing properties.

The company has been putting them together in a blend to absorb friction on both dry and wet materials. Wet materials are those parts whose sides are exposed to fluid, as in automatic transmission plates. Dry parts that will use the blends of materials are brake linings, disc

brake pads, clutch facings, truck brake blocks and hydraulic brake parts.

If proved successful (and certain OEMs are currently testing the parts) the new blends could conceivably replace asbestos in other markets.

The company decided to switch to the new compounds for its friction materials following class action lawsuits levied against it by workers who claimed they had an unhealthy amount of asbestos fibers lodged in their lungs.

A whopping 1,300 cases were brought against the company. Settlements have ranged from \$500 to \$87,500 and have all been picked up by company insurance.

Informed of the company's planned switchover to new blends, Grover Wrenn, Occupational Safety and Health Administration (OSHA) director of health standards, gave his imprimatur:

"OSHA is always pleased to hear of technological advances which offer alternatives to hazardous substances such as asbestos. The product Raybestos reports it has developed to replace asbestos in brake linings and clutches should prove

helpful in reducing workers' exposure to the known hazard of asbestos."

Additionally, the company seemed to have recognized the odiousness of the material. Said J. S. (Cy) Daly, president of the friction materials company: "We know asbestos can be a health hazard under certain conditions. We're concerned about national attitudes toward asbestos."

There is widespread concern that asbestos fibers can be spun off from brake linings and into the lung. However, a practitioner of environmental medicine at New York's Sinai Hospital, Dr. Arthur Lang said, "I'm not firmly convince

There's a problem for the guy who repairs brakes.

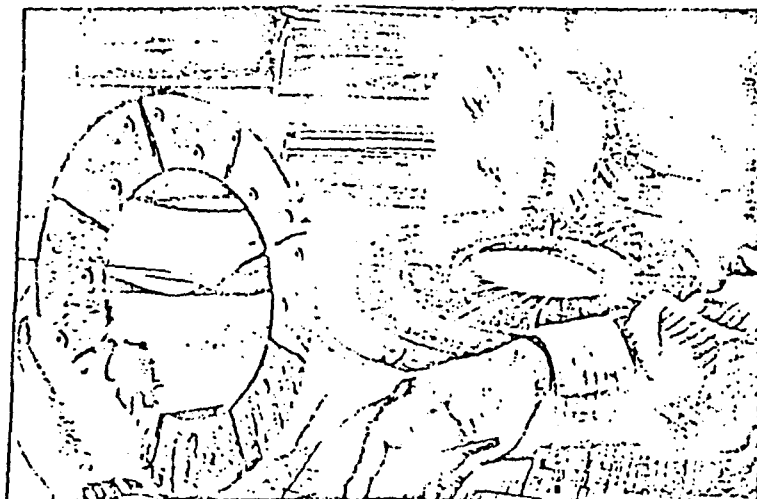
there's a problem for the general population. I think there's a problem for the guy who repairs brakes however."

Another company, Molded Materials, a division of Carlisle Corp., announced almost simultaneously that it has introduced a new asbestos-free brake lining. The lining uses synthetic inorganic fiber to replace asbestos.

But precautions are available for workers who have to handle brake linings before the age of asbestos ends. Fisk of America, Inc., King of Prussia, PA., manufactures a system specifically designed to whisk dust from brake linings and in vacuum cleaner nearby. When applied, a wide-mouthed suction covers the brake assembly with specially filtered vacuum rest residual asbestos dust from brake shoes.

Raybestos says some of the companies currently testing the new blend are CAT, GM and Ford.

Some 140 people were involved in the switchover to the new at the New England conglomerate. Cost of research and development for the new product amount nearly \$5.5 million.



Raybestos Friction Materials Co. manufactures, among other things, sintered facings for heavy duty manual clutches. The company's marketing people are looking for sales in new non-asbestos facings.

NEWS/ANALYSIS

Consolidated net sales for 1978 at Raybestos were \$285 million, an increase of 13.6% over 1977. The company's friction materials products accounted for nearly 75% of sales last year.

When the company decides to market the new blends there will be the matter of price hikes. In its annual report for last year, the company said it will be passing on the cost of the new product to customers. However, at the press conference, the firm said it would be producing the product at the "same performance and price" as the old product.—Joseph R. Einhaus

Gear Maker Aims At Auto Market

A New York based gear machine manufacturer is gearing up for the new wave of front-wheel drive cars with transverse engines.

Already the biggest producer of hypoid and bevel gear-making machines, Gleason Works has introduced two new machines to produce spur and helical gears up to 14-in. (355 mm) in diameter. It's Gleason's first attempt to enter the spur and helical gear market.

A helical gear is one whose teeth are set obliquely to the axis of rotation. A spur gear is the simplest form of toothed wheel used in machinery with radial teeth parallel to the axis of the wheel.

According to president and chief executive officer Alfred Murrer, production rates up to 10 times faster than shapers or hobbing machines could become a reality.

What makes the machining system unique is the cutting principle employed in G-Trac Models 765 and 766.

The Model 766 has multiple rows of rack-style cutting tools for continuous index generation which assists in producing high volumes of gears.

According to a Gleason spokesman, "Model 766 has 14 articulated links fastened around a basic housing. The power comes from racks on



Spur gears being cut in the Gleason No. 765 G-TRAC gear generator.

the inside of the chain links. And this is the important concept of the machine—everything is accomplished with rolling motions, therefore there is no wobble. The concept is not new but Gleason has innovated with the cutting principle—all rolling motion and no slide."

Model 765 is better suited for production of moderate quantities of gears typically used in heavy duty vehicles such as trucks, buses, tractors, farm and construction equipment and industrial drives.

Everything is accomplished with rolling motions—there is no wobble.

The machine has a single row of 112 tools and cuts one tooth slot at a time in a stack of gears. According to Gleason engineers the design provides rigidity through the work-zone—both machines can cut stacks up to 7.5-in. (190 mm) of spur or helical gears—and therefore permits holding extremely close tolerances in tooth shape, spacing and runout.

According to Murrer, "The demand for farm tractors and construction equipment is expected to increase in 1979 and beyond. For example, the 765 will produce the gears on the Model RT-9513 Fuller Roadranger twin countershaft transmission."

Both machines combine a large number of cutting edges which advance into the stack of gears at the same time—instead of starting at the top and working down. This eliminates hob advance and over-travel. According to Murrer, this dramatically increases productivity while decreasing tool costs.

"We are looking into all phases of helical gear marketing," says Murrer. "We are exploring possible expansion into other capital goods markets through the acquisition of companies that meet our profitability criteria and have products compatible with our engineering, marketing and manufacturing strengths."

Gleason took a major step in that direction when it acquired Alliance Tool and Die Corp., of Rochester, NY this year. Alliance manufacturers automated assembly and test systems for the automotive, appliance and computer industries.

The machines, when they are available in quantity, will be more expensive than conventional hobbing or roughing machines. But according to Murrer the units will "substantially" lower the price per gear.

A Gleason sales executive reports orders are being filled for five machines for next year. "Beyond that several lots of ten will be sold in the future."

The machines are not yet in full production at Gleason, but will be within a year or two.

Said Murrer, "Auto makers and the heavy duty vehicle manufacturers can expect a significant improvement in their production rate. They can expect the payback time period to be shortened."—Michael K. McCann