In re: All Asbestos Litigation Filed by Simmons Cooper, Circuit Court, Third Judicial District, Madison Cty., IL; 11/17/05.

MANUFACTURING

FACILITIES

Manufacturing facility of brakes is located in Gallatin, Tennessee and has 177,000 square feet. Current employment is 242 personnel operating at two shifts per day. The plant has the capacity of producing 450,000 brake assemblies annually. Union affiliation is United Steel Workers with an expiration date of September 21, 1987.

QUALITY/RELIABILITY

Eaton has provided copies of our Product Plan Control Manual to IH's Manufacturing Reliability, Purchasing and Engineering. Additionally IH personnel have visited Eaton Gallatin and reviewed the SPC program. All controlled items will be fully under SPC the first quarter of 1986.

Progress on SPC has been significant with 35% completed. We have taken a leadership role on brake products as it relates to SPC and JIT.

IH VISITS

September	1984	Al Beier and Staff
February	1985	Presentation SPC to Manufacturing Reliability (Ft. Wayne)
March	1985	Gary Dewel and Staff
April	1985	Future visit (Engineering and Manufacturing Reliability)

INVENTORY/DELIVERY & PROTECTION

Eaton has made a commitment to IH in 1983 to "ship to lineset" and have a successful track record in providing brake products for over two years.

We agree to ship to non-IH facilities and/or IH suppliers but we will direct our invoice to IH.

Work stoppage/inclement weather - We have signed our contract effective September 1984, for a three year period and have not had stoppages in the last two contracts at Gallatin; however, in anticipation of any contract negotiation, we have always built up inventories off-site that will ensure no stoppage of IH products and will continue to do so in the future. Additionally, we propose to consign inventory for one day production in each IH facility based on preagreed popular specifications.

Eaton is open for suggestions on where the one days inventory is stored but in any event this will be Eaton's inventory and not on IH's books.

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