In re: All Asbestos Litigation Filed by The Simmons Firm, Circuit Court, Third Judicial District, Madison Cty., IL; 8/28/03

B. General Motors

1. Eaton Square Edge Program

On 8-12-83 a meeting was held with GMC relative to the new square edge rear axle housing program. In attendance from GM were D.L. Bliss, D. Carter, G.A. Drake and R.C. Nelson. Eaton attendees were P. Johnson, Jeff Thompson and Bob anders. As explained to GM, the square edge housing program is an attempt to improve the fatigue life of our housings. Data was presented to GM that showed the B-10 life in fore-aft loadings to be tripled over the current housing design. Implementation of the new housing design will require GM to change suspension attaching components. Feasibility study done at GM Truck & Bus showed that in worst case situations current anchor plates have an interference condition with all the new square edge housings. In addition, some of the spring seats appear also to have an interference problem. GM advises changing these designs to fit the new housings will require both a new design and testing. The questions as to cost of redesign for spring seats and anchor plates was resolved to some extent in that I indicated we would be willing to participate in the cost of the redisign. This particular questions will be followed through Purchasing.

2. GM Purchasing

Since meeting with Messrs. Prescott and MacKay to review our axle proposal, T. O'Boyle met with Jack DeLorge to review again the rationale behind GM's decision to use Rockwell over Eaton and why our proposal was not acceptable to GM. The details of that meeting were previously reported, but it is still my feeling that Jack DeLorge was instrumental in persuading his people not to accept our proposal.

3. GM Purchasing - Front Axles

On 8-9-83 a meeting was held with Ron Wagoner to review the possibility of Eaton obtaining the 7K and 9K front axle business. Ron advised that currently the 7K and 9K front axles are being purchased from Rockwell and they have a three year agreement starting with model year 1984 and extending through 1986. Ron advised that Rockwell's pricing was very competitive and in fact, they have seen some price reductions from Rockwell since the time Rockwell closed their Foundry Division and sourced some of the components for front axles from outside sources. They found in doing so that some of the components contained in the front axle could be purchased at a lower cost than what Rockwell could produce them for, thus the reduction in price to GM.

In re: All Asbestos Litigation Filed by The Simmons Firm, Circuit Court, Third Judicial District, Madison Cty., IL; 8/28/03