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Inter Company Correspondence

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Subject: SAFETY HAZARDS - DISC BRAKE SHOES

Present conditions:

Disc brake shoes are procured from three different sources:

1. Chrysler Trenton approx. 83%	30,288	AVERAGE PER DAY
2. Bendix Hydraulics approx. 16%	5,716	" " "
3. Bendix Friction less than 1%	206	" " "

Shoes from Chrysler Trenton are shipped both in wood boxes and in Chrysler owned CC-8 containers. Some shoes are received stacked. The majority of them appear to be shipped loose. Shoes from Bendix are always shipped in wood boxes, loose. A number of wood boxes containing shoes are broken and the parts in them are spilled. A number of boxes are contaminated with debris and the metal part of the shoe is rusting. There seems to be no usage pattern that operates on a first-come-first-use basis. Containers are poorly identified and stored at random in various locations.

Pete Heckman, from Chrysler Chemical at Trenton, was contacted; his input is as follows:

Many of the empty containers Trenton receives from Toledo have parts and debris in them and can not be used for shipping. Too often there are not enough durable containers available and Trenton is forced to ship in wood boxes at an added cost to them. At the present time, most of the shipments from Trenton are in wood boxes. Trenton Chemical will stack and ship shoes in CC-8 containers if Toledo supplies clean CC-8 tubs for that purpose.

Bendix Hydraulics of michigan was also contacted; their input is as follows:

They can ship shoes stacked in CC-8 containers but this will require additional costs. Their suggestion is for Toledo Machining to submit this proposal to Bendix sales for evaluation and re-costing.

Bendix Friction supplies a very small number of shoes for police cars and therefore, it is not practical or economically feasible to change the shipping mode under these conditions.

The Toledo Machining Plant is loosing its CC-8 containers to Eldon Axle Plant. Therefore, it does not have enough of them to effect this change.

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SAFETY HAZARDS - DISC BRAKE SHOES

RECOMMENDATIONS:

To improve the asbestos hazard aspects associated with shoe handling and to also improve product quality and plant efficiency, the following are required.

1. Change method of shipping from expendible box to CC-8 container. Stack shoes and use separators between parts layers.

2. Toledo Machining is loosing its CC-8 containers to Eldon Ave. Axle Plant. Establish a procedure to go after our CC-8 containers on a continous basis.

3. Per exhibit "A" 404 CC-8 containers are required to handle all disc brake shoe requirements in TMP.

4. Purchase 200 new containers at this time. Separate 200 additional containers from our plant's allocation. Paint all these containers bright orange. Set them aside only to be used for disc brake shipments.

5. Set up, mark and identify a storage area for disc brake shoes. Arrange layout so that disc brake shoes are utilized on a first-come-first-use pattern.

6. Submit proposal to Bendix, requesting that they ship shoes in Chrysler owned CC-8 containers. Also, to stack shoes and use cardboard separators between layers. If Bendix is to ask for additional packing costs, TMP must also receive an equivalent amount to represent the cost of the wood box now being part of the unit price.

The estimated cost associated with this proposal is:

1. Cost of 200 CC-8 containers amortized over five years	4400/year *
2. Cost of cardboard separators	7389
3. Additional labor costs Chrysler (estimated)	16384
4. Additional labor costs Bendix "	4500
	32673 TOTAL

The minimum wood box costs the TMP is probably paying indirectly per year right now are estimated as follows:

Chrysler Trenton	17318
Bendix	6640
Total	$23958

* 22000÷5=4400

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The net additional cost for this proposal equals $32673 minus $23958 which is $8715 (estimated)(per year). The intangible benefits that will be derived from this proposal, however, will by far off-set the above costs.

In light of the above, it will appear that these findings merit consideration and warrant action. In addition to the asbestos health hazards, there is a definite quality and waste problem as well which must burden this cost center. Considering that disc brake shoes are safety items, appropriate considerations for their shipping, storage and utilization must be implemented.

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