CC: R. B. Forde, P. C. Butler, T. C. Staab, D. Counce, R. Kaser

DANA CORPORATION — VICTOR PRODUCTS DIVISION — LISLE, IL.

INTRA-COMPANY COMMUNICATION

SUBJECT [redacted] DATE March 18, 1983

TO J. A. Damusis

From K. G. Shah

A 5R asbestos fiber (J-M 5RAX4034) has been approved as a replacement of 5K5 fiber in VICTOPAC body compounds. This change will result in annual savings of about $82,800 (Exhibit II). At present we are also evaluating another 5R asbestos fiber (5R5 EX-LAQ) in VICTOPAC body compounds. Annual savings would increase to about $121,000 with use of LAQ's 5R fiber.

A VICTOPAC starter compound based on 7M fiber has been approved. This replaced a starter based on 5K asbestos fiber. This change in starter compound would add about $83,000 to our annual savings.

Toluol used in Formula 828-A cement (VICTOPAC 14 and starter) is reduced by seven gallons per batch with above changes in fibers. This would enable us to increase savings by another $11,800. (Exhibit IV.)

In addition to the above savings in place, further potential cost savings are outlined in Exhibit III.

Replacement of SBR 1570 with SBR 1502:

SBR 1570 is used in VICTOPACS 1, 6, 14, 72 and starter compounds. Polysar is the only source of this elastomer in North America. Polysar is planning to discontinue manufacturing of SBR 1570 within a year. This however offers us an opportunity to increase our savings. SBR 1502 (A widely supplied product), is very similar to SBR 1570 and is now being evaluated as a replacement for SBR 1570. Replacement of SBR 1570 with SBR 1502 will result in annual savings of $24,000.

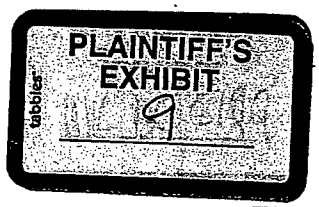
Replacement of 4T Fiber in VICTOPAC 14:

Approximately one million pounds of 4T asbestos fiber were used in VICTOPAC 14 compounds in 1981. There is a potential of replacing 4T fiber with a lower grade of 4 fiber , or with blends of 4T with 5K or 6D fiber without affecting functional properties of VICTOPAC 14. This would reduce cost by approximately $50,000.

Blend of 5R With 6D or 7M in VICTOPAC Body Compounds:

5R asbestos fiber has been already approved as a replacement of 5K fiber in VICTOPAC body compounds. Binder portion of VICTOPAC was not changed in this modification of VICTOPAC body compounds.

continued



DANA CORPORATION

March 18, 1983

VICTOPAC COST REDUCTION

However, with some modification of binder, 5R fiber can further be replaced by blends of 5R with 6D or 7M asbestos fibers. Since both binders as well as fibers will be changed, extensive testing including engine testing should be done prior to implementing changes. It is estimated that with this change VICTOPAC cost can be reduced by about $100,000 per year.

Kanu

Kanu Shah

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ATT.