

Inter-Office Correspondence

Date December 2, 1985
To Fred Kovalik
Division & Plant Axle & Brake - Galesburg
From Tom Bruggeman
Division & Plant Axle & Brake - Galesburg
Copy to See List
Subject PROPOSED PROGRAM TO DEplete EXCESS R31 BRAKE SHOE INVENTORY
RESULTING FROM NON-ASBESTOS DEMAND IN THE MARKET PLACE.

EAT•N

At your request a recent review was made to determine the total quantity of excess R31 shoe assemblies generated when phasing in non-asbestos lining.

Several assumptions were made in formulating a plan to minimize the amount of additional labor put into the trailer axles and utilizing the maximum quantity of loose R31 shoes while phasing in non-asbestos. They are as follows:

- . "old style" bracket design trailer axle inventory to be depleted first.
- . Marketing will phase in non-asbestos 'by customer' rather than an "across the board" approach.
- . 40% of sales is non-asbestos.
- . RARA will be able to supply April '86 requirements with axles less brakes.

Eaton Engineering to approve the use of Italian manufactured 3030-67 non-asbestos on RARA supplied trailer axles by Jan '86.

RARA will supply 3030-67 non-asbestos axles to satisfy June '86 sales requirements.

A review of the attached spread sheets with Marketing resulted in a realization that additional excess inventory of R31 shoe assemblies will accumulate on model #1009096 because the phase in of non-asbestos on this model lags four to five months behind other models. We will have to switch out approximately 3000 axles in order to meet a suggested target date of September - October 1986 for a complete phase out of asbestos. The additional shoe inventory resulting from this model is included in the following summary:

2880 p