ABEX

An IC Industries Company

Memorandum

Date:

October 16, 1980

Subject:

Transmission Band Friction Material for Chrysler Corporation

From:

G. N. Payne, Jr.

To:

J. J. Lukas

On October 13, 1980, I met with Bill Rankin, Frank Schleuter, and Denny Zeiger at Chrysler Transmission Engineering. During the meeting it was indicated that Chrysler is looking for another source for transmission bands. The present original equipment source is Raybestos-Manhattan and is more or less a sole supplier of these parts at the moment. Borg-Warner can be figuratively considered an alternate source however their pricing at the moment will not allow Chrysler to do very much business with them. Raybestos currently supplies a paper-based friction material which is bonded to the splined metal discs.

Basically, Chrysler Engineering wants to know if we have any capability of producing any type of transmission band which they could utilize and if not, whether we are seriously interested in developing such a product.

I explained that the Cleveland Plant is presently manufacturing the sintered bronze transmission band for Ford original equipment service and that Abex had not developed the technology concerning paper-based friction materials. I explained to the men that we would thoroughly evaluate the possibility of developing this product line; and that, if necessary, I would forward prints, as well as samples of presently-used bands to both Roy Fenner at Cleveland and Dr. Merkel at Mahwah.

I was told that Chrysler expected, in the first model year, to sell one million front wheel drive automobiles which amounts to approximately five to six million transmission discs. I have no idea what portion of the front wheel drive transmission business Abex could expect to realize in the next couple of years. Frank Schleuter told me that Chrysler is paying between fifty and sixty cents per transmission band currently. The statement was made that Chrysler is very sensitive to product cost which implied to me that if we are unable to come close to this price level, that we have no real chance of obtaining any of this business.