

EATON

Internal Correspondence

Date: OCTOBER 1, 1985
To: J. I. WARREN
TCM / NAHQ
Copy: SEE DISTRIBUTION
From: J. J. COLLINS
Subject: NATIONAL ACCOUNTS MONTHLY REPORT
SEPTEMBER, 1985

MARKET ANALYSIS

- We are starting to hear some concerns from some of the major lease companies relative to the OEM push at fleets on single source purchasing. The lease companies are concerned specifically at this time with White and International Harvester, indicating that what they are offering is merely a system that provides guaranteed cost of operation and residual protection for fleet customers, which is basically what the major lease companies do.
- The fleets who have faced hard times and have gone with an employee stock option purchase program may be in a position to bring considerable pressure on the Roadways, Yellows and Consolidated Freightways of our industry, due to the very favorable compensation packages they have been able to negotiate. This is sure to force even more pressure on union-operated companies, making the settling down of the industry yet a while off.
- Non-asbestos lining is gaining specification consideration at more and more fleets; and we have noted that a prominent after market supplier, Raybestos Manhattan, seems to be doing the best job in the field, causing a great number of fleets to attempt a pull-through of what was once considered an after market lining.
- We continue to hear increased concerns and certainly a great deal of conversation concerning the potential for tougher braking laws in the industry. Much of this discussion involves the pushing of European type brakes and concern that before our industry acts, we will be legislated into a position that might be less than favorable to the trucking industry.
- We continue to get reports that would indicate a decline in the 1986 Class 8 truck sales. Following are a few examples.

<u>COMPANY</u>	<u>1985 PURCHASES</u>	<u>1986 PROJECTIONS</u>
Gelco Feld	2400 units	1500 units
Yellow Freight	1400 units	300 units
Roadway	1100 units	600 units
Lend Lease	800 units	600 units
Ruan	600 units	300 units