

In re: All Asbestos Litigation Filed by The Simmons Firm, Circuit Court, Third Judicial District, Madison Cty., IL; 8/28/03

Eaton Corporation

Inter-Office Correspondence

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MARKETING

Date August 30, 1983
To T. O'Boyle
Division & Plant Axle and Brake, Galesburg
From J. Schweinfurth
Division & Plant Axle and Brake, Henderson
Copy to N. Valentine
Subject MONTHLY SALES REPORT-AUGUST

EATON

Ford Motor Company

Total shipments to Ford during the month were 2162 units, which included 184 model 15201, and 506 model 16244.

	<u>HEAVIES</u>	<u>LIGHTS</u>
EATON SHIPPED	1472	690

The order board at Ford is 13136. Material shortages in various models are hampering our ability to deliver as required. Received a fleet order of 125 units for Roadway with another 216 units to follow at a later date. No change in line rates at Ford is contemplated at this time.

General Motors Corporation

Shipments to GMC during the month were 1575 units (1066 axles, 509 heads). The order board at GMC is 11804. This is quite heavy compared to last year. Callouts for weekly scheduling have been heavy but consistent. Material shortages will hamper our meeting GMC requirements starting the first week of September. The fleet order for Anchor is the only reported fleet at this time. Both plants were shut down the week of August 29, 1983, for inventory.

International Harvester

Total shipments to IHC Springfield during the month were 2073 units, and IHC Canada 47 units. Material shortages in various models are hampering our deliveries to IHC Springfield. Due to various vendor problems, Springfield has been recoding orders to Eaton and moving units "up" in their line set in order to continue running the plant.

Various material problems and vendor problems is forcing IHC Canada to shut down the week of September 12, 1983.

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Form 30-23 (Rev. 4-71)

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Oshkosh Truck

Shipments to Oshkosh during the month were 10 units. Shipments to Oshkosh Military totaled 422 units. The build rate remains at six vehicles per day with plans on going to 8 a day later this year. Material shortages have caused late shipments this month. The Retro-Program is underway with no problems at the present time.

Freightliner Corporation

Shipments to Freightliner during the month were 307 sets of tandems and 10 single units. Orders are very high for September and October should be as high if not higher. Orders for September are at the 1000 unit number, but material shortages could limit the quantity we ship. Gear and pinion shortages have caused a couple of late deliveries for the month. Plants in Portland and Mt. Holly will work every other Saturday in September and October. If orders remain high in November, they will again raise their line rates.

Paccar

Shipments to Paccar were 551 sets of tandems and 12 single units. Peterbilt Newark and Peterbilt Tennessee has recalled everyone on layoff plus hired new people this month. Orders for Paccar are good for September and should be higher in October. Kenworth Kansas City plans on building 16 COEs by October 17. Kenworth Chillicothe plans on building 16 COEs by October 3, 17 by October 31, and 18 by November 28. Peterbilt Tennessee will possibly go to 20 trucks a day on October 1, if order board remains strong. Gear and pinion shortages have caused a couple of shipments to be late. No major delivery problems.

White Motor Corporation

Shipments to all White locations totaled 99 sets of tandems and 41 single units during the month. Western Star shipments totaled 15 sets of tandems and 1 single unit. Orders at NRV and Ogden have begun to increase, however, housing shortages will limit our delivery the first half of September. Line rates at New River Valley are scheduled to increase in October.

Miscellaneous Customers

The first shipment of WR6's to Timberjack was made on August 26, 1983.

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General Comments

Material shortages on gears, housing, and two speed clutch plates hampered delivery in August. The budget was set at 11,099. We shipped 10,369. September's budget will also be severely hampered due to materials. IHC, Ford, and GMC will be effected by our parts shortage in the single axle area; mainly 15, 16, and 17 series. We are barely getting by on tandem axles to all customers due to gear shortages. The current material situation is by far the worst condition we have ever seen.

Loose Parts

Loose Parts Sales for August were \$424,355., versus a forecast of \$250,000. August total also includes \$153,264. of electric shift unit sales shipped to O.E.M.s direct from Harrodsburg, Kentucky. Signet Systems, which was not included in the August forecast, accum sales for 1983 thru August totals \$2,519,280.

Potential problems exist with taking over shipments of electric shift units from Harrodsburg beginning September 1, 1983. Signet Systems has not shipped stock on #41059 to Henderson to begin this program. Currently we have 402 pieces in stock to cover past due orders of 450 pieces. September orders total 2455 pieces on this part.

Aftermarket

The condition in the Aftermarket areas have not changed since the last report. There is no changing news.

Ecuador

Our customer S.A.V.E. in Cerenca, Ecuador has submitted financial statements and credit references. These documents were forwarded to Hans Huth and copied to Mike McPhilamy for submission to any bank of our choice for approval of F.C.I.A. financing in the amount of \$50,000. We are presently holding an order of approximately \$12,000 pending approval of the financing. This is basically the only means of payment for our Ecuadorian customers at this time.

Brake

Short term brake orders for August and September increased during the month, approximately 8% over the August 1st forecast. The impact before smoothing would have been a 12% increase in August. Material availability problems may restrict the August increase to 5% over the forecast.

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Brake (cont.)

Most increases are coming from the class 8 builders (Paccar, Freightliner, Mack and Volvo). Little or no increases are seen at Ford, GMC, or IHC. Ford's problems starting Job 1 is creating problems with their unknown requirements in the near term. We still have no idea as to the timing of the release by Ford of the 15 X 4 brake.

On-Highway Steer Axles

On-highway steer axles show little volume change from the last forecast. Some increases in Kenworth Seattle, and decreases in Kenworth Chillicothe. Peterbilt Denton remains overstocked on axles. They believe that their inventory will last into October. Western Star has issued an order for twenty-six axles for September and October delivery. This is the largest order from them.

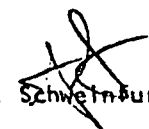
Off-Highway Steer Axles

Off-highway axle forecasts show little change from last month. Material procurement problems have caused us to miss some of the August requirements. The material should be available for September shipment.

Trailer Axles

Trailer axle sales should be approximately 8% over August forecasts. This forecast depends on Budd releasing several hundred by mid-September. The trailer market is rising significantly with most major builders increasing line rates.

Short lead times on axles continue to plague our shipping on time performance. Both steer and trailer customers expect us to react in less than two weeks, and often this is not possible.


J. Schweinaurth

JS:so