

The shoe and lining assembly problem could expand due to the variety of methods employed by rebuilders and the oxidation problem be more prevalent simply due to the time it takes for a product to get through the distribution system.

In addition to the above, the cost of NADBL will be a disadvantage (refer to item 10).

7. The composition and manufacturing technology by our corporations are not protected by patents.
8. At this time, Abex Corporation has several licensees authorized to produce resin bonded metallic material.
9. Non-asbestos disc brake material cannot be produced in existing facilities without substantial input in the areas of capital and operation costs. Today we would need \$1.5 million in order to convert existing equipment to handle RBM's. In addition to this, we would require a half million dollars for tooling and one year for the acquisition of additional machinery.
10. The projected unit cost for the three part numbers mentioned in a non-asbestos formula is exactly twice that of the asbestos-based formulas.
11. A conversion of our 1979 production to resin-based metallics would be eliminating the consumption of 7 tons of asbestos.