ABEX

AJC Industries Company

Memorandum

PLAINTIFF'S EXHIBIT AB-125

Date: May 13, 1980

Subject: O.E. Priorities

From: J. J. Brown

To: J. J. Lukas

Please consider this an amendment to my memo of May 12th.

Under a non-asbestos, non-metallic block, please amend to include the following statement:

These numbers are predicated for the years 1983-1985 on the fact that there will be government (state or federal) legislation mandating non-asbestos materials.

Per our discussion May 12th, it will be relatively easy to obtain non-asbestos approvals from brake ~~manufacturers~~ such as Rockwell and Eaton. However, ~~in~~ order to sell this ~~material to the OEMs~~ with the exception of Mack Corporation, evidence must be presented to cost justify the 30% premium we are requesting for non-asbestos materials. OEMs such as White and Ford Motor Company will not buy non-asbestos materials on the moral issue of non-asbestos versus asbestos, but only if the government mandated them to do so or if the 30% premium could be justified based on longer lining life, drum life, etc.

~~As of this date, none of our testing~~ justifies the claim that the cost of operation is in direct relationship to the premium being charged for non-asbestos materials.

John J. Brown

JJB/sw

cc: AFSchmaltz/file

J. Lukas 5-15-80

SPNY 005362

SCF-ABEX-2350

ABEX-202