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

Eaton Corporation
Brake Division
P.O. Box 935
21220 West Eight Mile Road
Southfield, Michigan 48037
Telephone (313) 354-2700

KEEP JCP & JN POSTED ON THIS ISSUE.

HYD. DISC

January 30, 1979

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BRAKE DIVISION
PRODUCT ENGINEERING

Mr. Ronald L. Cutler
V.P. Marketing
Abex Corporation
Friction Products Group
Suite 710
3001 West Big Beaver Road
Troy, Michigan 48084

Dear Ron:

EATON

Eaton has had medium duty truck hydraulic disc brakes in development since 1972. The program is progressing well and we expect to begin production during the third quarter of 1980. The initial production is planned at 6,000 brakes per year and is expected to build to a good share of the near one million potential brake market. At this time, the prime lining material selected for this brake is your 813-36.

Some time ago, we heard that Abex had established a firm program to cut off production of brake lining materials containing asbestos. This information exchange resulted from an informal meeting of high ranking Abex and Eaton officials. I inquired about this matter with Denis Conlon and Bob Nelson. Both said there are programs to develop non-asbestos lining materials, but, there are no plans to stop production of linings containing asbestos in the future. However, our management is getting increasingly nervous about this matter now that the hydraulic disc brake, which is developed around 813-36, is nearing the production phase.

To put this matter to rest, we need a communication from you or another Abex official confiding to us your corporate planning regarding the asbestos issue and how it will affect the availability of 813-36 at least through the calendar year 1988.

Telex 23-5805

EAB 033709

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After watching the automobile industry cope with the fleet fuel mileage problem (CAFE) by increasing the price premiums for large engines and large cars, we need to know if Abex is contemplating artificial incentive pricing as a means of eliminating or reducing the production of brake linings containing asbestos.

We appreciate that some of this planning information may require confidential disclosure. However, we must have this information to successfully complete the final design of these new products.

Very truly yours,

John A. Urban
Chief Engineer
Advanced Products

JAU/dt

cc: D. P. Conlon (Abex)
G. L. Hopkins
M. H. Lawrence
J. C. Pruneski

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