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December 2, 1985

58,200	loose shoes at RABA
9,672	shoes on axles at RABA
38,603	shoes to be returned to RABA for rework
12,916	shoes shipped early October to RABA
1,366	current shoe inventory in Gallatin
31,196	shoe inventory generated from Nov '85 through Sept '86.
151,953	
(9,700)	Current schedules to RABA which will require R31 lined assys'
142,253	Total assemblies to be marketed.

The attached spread sheets do not address all model numbers referenced in the profit plan (Exhibit I) or the report reflecting RABA Month-End Inventory Quantities (Exhibit 2).

- Models 1009101 and 1009102 do not have any forecasted sales requirements. Lonnie Dye and I suggest that if no requirements exist by mid '86 shoes be pulled from these axles and sold in the aftermarket.
- Model 10V requirements are not clearly defined.
- Other models noted on profit plan (Exhibit 1) are either obsolete or potentially phased out.

I suggest that the following steps be taken in order that the phase in of non-asbestos lining, disposing of R31 shoe assemblies and the depletion of existing trailer axle inventory transpire in a manner most economical to the division.

By December 2, B. Ille designate me as the coordinator for this program.

Meeting held by December 5 with all disciplines involved in executing this program to discuss the following:

- The general contents and logic behind the development of the attached spread sheets.
- Suggested target date of Sept-Oct '86 for a complete phase out of asbestos lined trailer axles.
- Service parts program for marketing R31 shoe assemblies in the aftermarket.
- Approximate monthly or quarterly volumes of shoe assemblies necessary to support marketing program which must begin in Jan '86.

EAB 046165