

**EATON**

## Internal Correspondence

Date: February 28, 1986

To: Fred Kovalik  
Axle & Brake - Galesburg

Copy: SEE LIST

From: Tom Bruggeman - Axle &amp; Brake Division Headquarters-Galesburg

Subject: UPDATE ON PROGRAM TO DEplete EXCESS R31 BRAKE SHOE INVENTORY AND  
IMPLEMENT NON-ASBESTOS IN THE MARKET PLACERECEIVED  
MAR 3 1986  
PURCHASING

In following up on several key areas this month, it has been realized that potential problems exist. Please find below a list of these problems and our planned course of action.

- A key factor in minimizing the quantity of excess R31 lined shoe assemblies was based on RABA supplying axles less brakes. Ruth Smith previously advised that RABA would be willing to adhere to our request. On February 11, Mr. Komonczy (RABA Director of Sales) telexed the following, ...."RABA can not fundamentally accept that Eaton wants to purchase the trailer axles without brakes. Please, be informed that RABA envisages the supply of the trailer axles complete with brakes both at present and in the future." This disagreement must be resolved immediately.
- Lonnie Dye has forwarded January and February schedules requesting the receipt of axles be "less brakes". We have successfully expedited new part numbers through engineering enabling us to release in this manner.
- Ruth Smith advised that we will begin scheduling approximately 25-30% of our trailer axles (less brakes) to Axles India in August-September time frame.
- There has been a delay in the qualification of the sweep gauge necessary to allow development of the RABA coined shoe. The latest promise from Ruth Smith is to ship the gauge to RABA on March 7. With this in mind, we can expect to receive coined shoes in August 1986.
- Engineering is expected to make an announcement on the approval non-asbestos lining by no later than March 10. A meeting is scheduled for March 7 with B. Anders, J. Clark, B. Cook, G. Singh, L. Spurlock and B. Young to discuss the details of our standard position on non-asbestos.

Ruth Smith is processing Letter of Credit for the return of R31 loose lining blocks at RABA.

SCF-EC-3050

EXHIBIT

Hobbs 18  
9-8-08 DR