

6-9-84

To: Karen Vail / Kim Phillipi
From: John Eardaville
Re: Taiwan business practice.

Karen / Kim,

I had Ting talk to Mr. Lin today to ask about the practice of CAPA mfgs. buying uncertified parts to sell as certified when stock and delivery times could not meet customer needs.

Mr. Lin stated that prior to the November 1993 Manufacturer's Advisory Committee Meeting in Las Vegas this was a common practice in Taiwan. After this meeting all the major manufacturers in Taiwan told their subcontractors that they would only buy certified parts if their certified stock ran short.

In my opinion the influx of new manufacturers is a good verification of Mr. Lin's remarks.

Let me know if you need any additional by tomorrow.

John