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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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SCHEDULE 13D/A  
(Amendment No. 2)  
Under the Securities Exchange Act of 1934

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DANA CORPORATION  
(Name of Issuer)

Common Stock, \$1.00 Par Value Per Share  
(Title of Class of Securities)

235811106  
(CUSIP Number)

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with copies to:

Ken Maiman  
Appaloosa Management L.P.  
26 Main Street  
Chatham, NJ 07928  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices of Communication)

July 18, 2007  
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. [ ]

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Page 1 of 9

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CUSIP No. 235811106

13D

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1 NAME OF REPORTING PERSONS  
Appaloosa Investment Limited Partnership I  
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
(b) [ ]

3 SEC USE ONLY

4 SOURCE OF FUNDS  
00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT  
TO ITEM 2(d) OR 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

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NUMBER OF 7 SOLE VOTING POWER  
SHARES 0

BENEFICIALLY OWNED BY 8 SHARED VOTING POWER  
EACH REPORTING 11,992,500  
PERSON WITH

9 SOLE DISPOSITIVE POWER  
0

10 SHARED DISPOSITIVE POWER  
11,992,500

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11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
11,992,500  
-----  
12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES [ ]  
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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
7.98%  
-----  
14 TYPE OF REPORTING PERSON  
PN  
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1 NAME OF REPORTING PERSONS  
 Palomino Fund Ltd.  
 S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
 (b) [ ]

3 SEC USE ONLY

4 SOURCE OF FUNDS  
 00

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT  
 TO ITEM 2(d) OR 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
 British Virgin Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 10,507,500
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 10,507,500

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
 10,507,500

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
 CERTAIN SHARES [ ]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
 7.00%

14 TYPE OF REPORTING PERSON  
 CO

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1 NAME OF REPORTING PERSONS  
Appaloosa Management L.P.  
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
(b) [ ]

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3 SEC USE ONLY

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4 SOURCE OF FUNDS  
AF

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5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEM 2(d) OR 2(e) [ ]

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6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

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NUMBER OF	7	SOLE VOTING POWER
SHARES		0
BENEFICIALLY		
OWNED BY	8	SHARED VOTING POWER
EACH REPORTING		22,500,000
PERSON WITH		
	9	SOLE DISPOSITIVE POWER
		0
	10	SHARED DISPOSITIVE POWER
		22,500,000

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11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
22,500,000

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12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES [ ]

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
14.98%

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14 TYPE OF REPORTING PERSON  
PN

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1 NAME OF REPORTING PERSONS  
 Appaloosa Partners Inc.  
 S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
 (b) [ ]

3 SEC USE ONLY

4 SOURCE OF FUNDS  
 AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
 ITEM 2(d) OR 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
 Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 0
	8	SHARED VOTING POWER 22,500,000
	9	SOLE DISPOSITIVE POWER 0
	10	SHARED DISPOSITIVE POWER 22,500,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
 22,500,000

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
 CERTAIN SHARES [ ]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
 14.98%

14 TYPE OF REPORTING PERSON  
 CO

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 1 NAME OF REPORTING PERSONS  
 David A. Tepper  
 S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS  
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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
 (b) [ ]  
 -----

3 SEC USE ONLY  
 -----

4 SOURCE OF FUNDS  
 AF  
 -----

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
 ITEM 2(d) OR 2(e) [ ]  
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6 CITIZENSHIP OR PLACE OF ORGANIZATION  
 United States of America  
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NUMBER OF	7	SOLE VOTING POWER
SHARES		0

BENEFICIALLY	-----	-----
OWNED BY	8	SHARED VOTING POWER
EACH REPORTING		22,500,000
PERSON WITH	-----	-----

	9	SOLE DISPOSITIVE POWER
		0

	10	SHARED DISPOSITIVE POWER
		22,500,000

-----  
 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
 22,500,000  
 -----

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
 CERTAIN SHARES [ ]  
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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
 14.98%  
 -----

14 TYPE OF REPORTING PERSON  
 IN  
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This Amendment No. 2 (this "Amendment") to the Schedule 13D filed on June 22, 2007 by the Reporting Persons, as amended by Amendment No. 1 thereto filed on June 29, 2007 (as so amended, the "Schedule 13D") relates to the Common Stock of the Issuer and is being filed to amend the Schedule 13D as specifically set forth below.

The information set forth in the Exhibits to this Amendment is hereby expressly incorporated herein by reference, and the responses to each item of this Amendment are qualified in their entirety by the provisions of such Exhibits. Unless otherwise indicated, all capitalized terms shall have the meanings ascribed to them in the Schedule 13D, and unless otherwise amended hereby, all information previously filed remains in effect.

ITEM 4. IS AMENDED BY ADDING THE FOLLOWING:

Yesterday evening, AMLP sent a letter to the Board asking that the Board reconsider the Issuer's current restructuring strategy and abandon its pursuit of the proposed transaction with Centerbridge Capital Partners, L.P. ("Centerbridge"), which is described in the Issuer's current report on Form 8-K filed on July 5, 2007 (the "Proposed Centerbridge Transaction"). As described in the letter, AMLP has made a fully committed offer to replace Centerbridge on terms superior to the terms of the Proposed Centerbridge Transaction. Notably, AMLP's offer to replace Centerbridge is not subject to a due diligence condition, despite the fact that the Issuer has not provided AMLP with the opportunity to conduct any due diligence regarding the Issuer. AMLP has also delivered with its letter to the Board a term sheet for an alternative restructuring proposal, which AMLP believes will be materially more favorable to stakeholders than the plan of reorganization proposed under the Proposed Centerbridge Transaction. The foregoing summary of AMLP's July 18th letter to the Board is qualified in its entirety by reference to the July 18th letter, a copy of which is filed with this Amendment No. 2 as Exhibit 3 to the Schedule 13D.

While the Reporting Persons do not have any current plans or proposals, except as otherwise described in this Statement, which relate to or would result in any transaction, event or action enumerated in paragraphs (a) through (j) of Item 4 of the form of Schedule 13D promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), each of the Reporting Persons reserves the right, in light of its or his ongoing evaluation of the Issuer's financial condition, business, operations and prospects, the market price of the Common Stock, conditions in the securities markets generally, general economic and industry conditions, its or his business objectives and other relevant factors, to change its or his plans and intentions at any time, as it or he deems appropriate. In particular, and without limiting the generality of the foregoing, but subject to the terms of applicable court orders, restrictions and agreements and to any limitations imposed by applicable law, including the Exchange Act, each of the Reporting Persons (and their respective affiliates) may (i) purchase additional shares of Common Stock or other securities of or claims against the Issuer, (ii) sell or transfer shares of Common Stock or other securities or claims beneficially owned by it or him from time to time in public or private transactions and (iii) cause any of the Reporting Persons to distribute in kind to their respective stockholders, partners or members, as the case may be, shares of Common Stock or other securities or claims owned by such Reporting Persons. The Reporting Persons may seek the views of, hold discussions with, or respond to inquiries from members of the Issuer's management or Board of Directors or other persons including other stockholders, or holders of

claims in the Issuer's bankruptcy proceedings, regarding the Issuer's affairs, restructuring or other strategic matters.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

Item 7 of the Schedule 13D is supplemented as follows:

EXHIBIT NO.	DESCRIPTION
3	Letter sent by Appaloosa Management L.P. to the Members of the Board of Directors of Dana Corporation, dated July 18, 2007, together with attachment thereto.



SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: July 19, 2007

APPALOOSA INVESTMENT LIMITED  
PARTNERSHIP I

By: APPALOOSA MANAGEMENT L.P.,  
Its General Partner

By: APPALOOSA PARTNERS INC.,  
Its General Partner

By: /s/ David A. Tepper  
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Name: David A. Tepper  
Title: President

PALOMINO FUND LTD.

By: APPALOOSA MANAGEMENT L.P.,  
Its Investment Adviser

By: APPALOOSA PARTNERS INC.,  
Its General Partner

By: /s/ David A. Tepper  
-----

Name: David A. Tepper  
Title: President

APPALOOSA MANAGEMENT L.P.

By: APPALOOSA PARTNERS INC.,  
Its General Partner

By: /s/ David A. Tepper  
-----

Name: David A. Tepper  
Title: President

APPALOOSA PARTNERS INC.

By: /s/ David A. Tepper  
-----

Name: David A. Tepper  
Title: President

/s/ David A. Tepper  
-----

David A. Tepper

July 18, 2007

TO: THE BOARD OF DIRECTORS OF DANA CORPORATION  
4500 Dorr Street  
Toledo, Ohio 43615

Ladies and Gentlemen:

The efforts of management and its advisors to pursue a plan sponsored by Centerbridge Capital Partners, L.P. ("Centerbridge") have been fundamentally flawed and, if continued, will yield far less than the maximum recoveries available to stakeholders. It is the fiduciary responsibility of the Board to ensure that management and its advisors pursue strategies designed to maximize the value of the Debtors' estates for the benefit of all stakeholders. The Board has failed in this regard.

As an initial matter, management and its advisors continue to resist our efforts to obtain legitimately from the Company customary access to information needed to support a plan-sponsorship proposal, which proposal we believe may pay creditors in full and provide a return to current shareholders. To date, management has conditioned our access to information upon us agreeing to give up inherent rights of a stakeholder, including our right to make a proposal without management's prior approval, and has ceded to Centerbridge material decision making authority regarding the terms of access to information. The efforts of management and its advisors in concert with Centerbridge to exclude interested investors from the process will inevitably ensure that no alternative competitive proposals ever materialize.

Furthermore, the Company's proposed transaction with Centerbridge and the Unions (a) shifts significant estate decision-making authority to non-fiduciaries (the unions and their financial advisor), (b) shifts material estate value to a third party, without the benefit of a meaningful competitive bidding process, (c) provides substantial value and benefits to management, and (d) is structured to effectively preclude competing proposals.

To demonstrate the absurd and one-sided nature of the Centerbridge proposal, we are prepared, and do hereby unconditionally commit, despite not being permitted to conduct any due diligence, to fund and perform Centerbridge's obligations as set forth in the "Terms of Centerbridge Investment," attached as Exhibit B to Plan Support Agreement, filed as an exhibit to the Company's Form 8K, dated July 5, 2007, in exchange for the consideration to be provided to Centerbridge thereunder, with the following improvements in favor of the Company: (1) we agree to eliminate and waive any break-up fee; (2) we will enhance the Conversion Price from .83 times Distributable Market Equity Value Per Share to .90 times Distributable Market Equity Value per share (each term as defined in the Terms of Centerbridge Investment); and (3) we will agree to the elimination of barriers to the submission of competing proposals. We can make this commitment with its enhancements over the Centerbridge proposal without the benefit of any

due diligence, because the Centerbridge transaction is essentially risk-free to Centerbridge. The Conversion Price, rather than being fixed on the basis of a set enterprise value, which would permit stakeholders to assess the value of their recovery, is instead set after-the-fact at a 17% discount to actual trading value. In other words, given Centerbridge's guaranteed senior position in the capital structure, they are assured of being "in the money" regardless of (a) the Company's condition when it emerges from chapter 11 protection, or (b) the total amount of allowed claims entitled to distributions under a plan of reorganization. We believe this construct provides Centerbridge and its co-investors with a risk free return of several hundred million dollars on their investment at the expense of your stakeholders.

Notwithstanding our full commitment to pursue an alternative to the Centerbridge transaction as outlined above, we believe that the structure of the Centerbridge transaction, even as improved by us, remains fundamentally unfair to existing stakeholders. As a consequence, based on our understanding of the Company and its finances as set forth in publicly available information, and subject to our and our financial advisors' (The Blackstone Group) satisfaction with confirmatory due diligence (which we believe can be completed promptly with the Company's support and cooperation), and the negotiation and preparation of customary definitive documents, we are prepared to fund the Company's chapter 11 exit on the terms set forth on the attached plan term sheet. This proposal is materially superior to the Centerbridge proposal because, among other things, it:

(1) Aligns our interests as plan investors in the future success of the Company

with those of the other stakeholders;

(2) Appropriately values the Company allowing creditors to receive a full recovery on their claims and provides a meaningful return to shareholders;

(3) Properly allocates the role of the Company's stakeholders in the selection of a new board of directors and the Company's post-exit governance; and

(4) Ensures that management will be accountable to stakeholders on a going-forward basis

Furthermore, while our proposal contemplates the full incorporation of the economic terms of the Company's proposed settlement with its Unions, we are also willing to pursue a transaction that does not require the incorporation of the Union settlement, thereby permitting the Company to exercise fully its fiduciary duty to pursue value maximizing transactions.

We implore you to review and reconsider the Company's current restructuring strategy. The consequences of continued pursuit of this strategy will be unfortunate. To protect their legitimate interests (that are being ignored by the Company), stakeholders will be compelled to pursue remedies that are by definition less efficient and more expensive than a proper resolution of this chapter 11 case (but nonetheless more favorable than the outcome put forth by the Company). At a minimum, the plan process will be hotly contested until its conclusion (and perhaps beyond). In addition, parties may determine to pursue other available stakeholder remedies.

We believe that the situation requires your immediate attention and consideration. We are available to meet with the Board and its representatives at your earliest convenience to discuss more fully the matters set forth herein and to work toward an amicable, appropriate conclusion to Dana's chapter 11 case.

Sincerely,

APPALOOSA MANAGEMENT L.P.

-----  
David Tepper  
President

TERM SHEET FOR  
PLAN OF REORGANIZATION FOR DANA CORPORATION

Set forth below is a summary of indicative terms for a potential investment in Dana Corporation by entities or funds controlled by Appaloosa Management L.P. The investment is being made in connection with a Plan of Reorganization of Dana Corporation under chapter 11 of the Bankruptcy Code. The terms set forth below are intended solely to provide a framework for the parties as they proceed with discussions of the proposed transaction and do not constitute any agreement with respect to the definitive terms for any transaction or any agreement to agree or any solicitation of acceptances or rejections of any plan of reorganization. While the parties expect to negotiate in good faith with respect to the terms for a transaction, any party shall be free to discontinue discussions and negotiations at any time for any reason or no reason. No party shall be bound by the terms hereof and only execution and delivery of definitive documentation relating to the transaction shall result in any binding or enforceable obligations of any party relating to the transaction.

**New Equity Investment**                      On the Effective Date, subject to participation rights of existing stakeholders as more fully set forth herein, Appaloosa Management LP ("AMLP") will fully commit up to \$750 million of equity financing, consisting of (i) \$300 million of Series A Preferred Stock, (ii) \$100 million of Series B Preferred Stock, (iii) up to \$100 million of Series B Preferred Stock not otherwise subscribed to in the Preferred Stock Rights Offering, and (iv) up to \$250 million of New Common Stock not otherwise subscribed to in the Common Stock Rights Offering (collectively, the "Investment").

**New Debt Financing**                      On the Effective Date, the Company shall (i) obtain a Senior Secured Facility in the amount of \$1.5 billion, and (ii) issue Unsecured Notes in an amount to be determined (together, the "Exit Facility"). The Exit Facility shall be with parties and on market terms reasonably acceptable to AMLP. Proceeds of the Exit Facility shall be used to, among other things, repay the DIP Facility, fund obligations under the Plan, including partial cash distributions to unsecured creditors, and fund business operations.

**Treatment of Secured and Priority Claims**                      Secured and Priority Claims will be reinstated or satisfied in full in cash on the Effective Date.

Treatment of Unsecured Claims      Unsecured Creditors shall receive, on account of their Allowed Claims, (i) New Common Stock, (ii) Excess Cash, and (iii) the right to purchase their pro rata share of \$100 million of Series B Preferred Stock (the "Preferred Stock Rights Offering"). Excess Cash shall mean the (i) sum of the proceeds of the Exit Facility plus cash on hand on the Effective Date, less (ii) (a) amounts necessary to pay, or reserve for payment of, all Allowed Administrative, Secured and Priority Claims, and (b) amounts necessary to fund business operations. It is anticipated that distributions to Unsecured Creditors will have a value equal to the full amount of their Allowed Claims plus interest accrued from the Petition Date at the applicable non-default rate ("Payment in Full").

Treatment of Equity Holders      Equity Holders shall receive the right to purchase (the "Common Stock Rights Offering") their pro rata share, based upon \$250 million of proceeds, of New Common Stock at an exercise price equal to .85 times Plan Value (the "Exercise Price"). Plan Value shall mean the price per share that when combined with Excess Cash results in Payment in Full of Unsecured Creditors.

Preferred Stock Right  
Offering Backstop Commitment      AMLP shall commit to purchase at face value all Series Preferred B Stock offered in but not issued pursuant to the Preferred Stock Rights Offering.

Common Stock Rights Offering  
Backstop Commitment      AMLP shall commit to purchase at the Exercise Price all New Common Stock offered in but not issued pursuant to the Common Stock Rights Offering.

Preferred Stock Terms	Each of the Series A Preferred Stock and the Series B Preferred Stock (collectively, the "Preferred Stock") shall have identical terms except that Series A Preferred Stock shall have certain voting and governance rights. Subject to additional terms and conditions to be set forth in the Definitive Agreements, (a) holders of Preferred Stock shall be entitled to receive a dividend at the annual rate of 4.0% of the liquidation preference thereof, which if unpaid, shall accrue, and (b) each share of Preferred Stock shall be convertible, without any payment by the holder thereof, into a number of shares of New Common Stock equal to (i) the liquidation preference divided by (ii) .85 times Plan Value. AMLP shall be prohibited from receiving, in exchange for the exercise or non-exercise of voting rights, any compensation or remuneration.
Direct Investment	AMLP shall have the option to purchase up to \$25 million of New Common Stock at the Exercise Price in addition to any shares of New Common Stock acquired pursuant to the Common Stock Rights Offering or Common Stock Rights Offering Backstop Commitment.
Governance	Reorganized Dana Corporation shall have balanced corporate governance pursuant to terms to be agreed upon between AMLP and the Official Committee of Unsecured Creditors.
Registration Rights	Registration Rights shall be customary for a transaction of this type.
Transaction Fees	AMLP shall be entitled to payment of commitment, backstop and other fees customarily payable in connection with a transaction of this type and magnitude.
Break-Up Fees	AMLP shall be entitled to customary break-up fees payable in connection with an at-risk transaction.

Expense Reimbursement	AMLP shall be entitled to reimbursement of all reasonably incurred out of pocket costs and expenses incurred in connection with pursuing the Investment.
Definitive Agreements	All obligations shall be subject to mutually agreeable definitive agreements with customary conditions, representations and warranties, covenants and defaults.
Additional Investors	It is anticipated, but not a condition, that AMLP will arrange for additional investors to participate in the Investment. Such additional investors shall be subject to the consent of the Company, such consent not to be unreasonably withheld.
Governing Law	New York