# MINUTES OF ANNUAL MEETING

of the

## FRICTION MATERIALS STANDARDS INSTITUTE, INC.

Wednesday and Thursday, June 22 and 23, 1977, 8:30 A.M.

at

Camelback Inn, Scottsdale, Arizona

| MEMBERS PRESENT | REPRESENTATIVES |
|---|---|
| Abex Corporation | R. L. Cutler |
| Auto Friction Corporation | Stuart Comins |
| Bendix Corporation | F. E. Messier |
| Brassbestos Manufacturing Corp. | W. Simon |
| Carlisle Corporation | W. E. Harris, Jr. |
| General Motors Corporation | R. J. Kick |
| Hayes-Albion Corporation | E. Rysso |
| Maremont Corporation | J. W. Greenen |
| H. K. Porter Co. | J. C. Black |
| Raybestos-Manhattan, Inc. | D. E. Cunningham |
| Scan-Pac Manufacturing Co. | P. Vandenberg |
| Thiokol Chemical Corporation | J. P. Gallagher |
| Royal Industries Brake Products | D. Ogilvie |
| S.K. Wellman Corporation | G. A. Carrigan |

OTHERS PRESENT

| | |
|---|---|
| Abex Corporation | R. E. Nelson |
| Auto Friction Corporation | B. Kublin |
| | S. Doyle |
| Bendix Corporation | |
| Automotive Aftermarket Operations | G. Smith |
| Heavy Vehicle Systems Group | C. Busch |
| Carlisle Corporation | R. Perritt |
| Delco-Moraine Division | R. E. Kettering |
| Maremont Corporation | R. Steinmetz |
| | J. Mellow |
| Raybestos-Manhattan, Inc. | H. C. Lewinsohn (Guest Speaker) |
| | J. H. Kelly |
| Royal Industries Brake Products | W. M. Sleeth |
| | R. Luellen |
| S. K. Wellman Corporation | M. Oberlin |
| Wheeling Brake Block Mfg. Co. | G. Stratton |
| Federation of European Mfgs. of Friction Materials (FEMFM) | R. Join |
| Clapp & Eisenberg | R. P. Gorman |
| Friction Materials Standards Institute | E. W. Drislane |

MINUTES OF JUNE 16-17, 1976 MEETING

The minutes of the meeting held June 16-17, 1976 had been distributed. No corrections were suggested.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That the minutes of the June 16-17, 1976 Annual Membership Meeting be accepted as written.

PRESIDENT'S REPORT

Mr. Simon reported on Institute activities over the past fiscal year. Please refer to EXHIBIT 1.

He commented on items such as the balanced budget, the Gatke resignation from FMSI, timing of our annual catalogs and our recommendations for reducing asbestos dust during brake servicing. Mr. Simon also suggested that the Institute sponsor another asbestos seminar similar to that which was held in 1975, study the feasibility of an industry wide workman's compensation plan, and the possibility of a blanket product liability program for the membership. Mr. Simon thanked the Technical Committee Chairmen for their work. He also thanked the membership for the privilege of serving the Institute for the past two years.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the President's report as written.

REPORT OF BOARD OF DIRECTORS ACTIVITIES

The Secretary read a report on the activities of the Board of Directors since the last Annual Membership Meeting in June 1976.

At a meeting of the Board of Directors on Wednesday, June 16, 1976 after the morning session of that Membership Meeting, the Board of Directors elected Mr. William Simon as President, Mr. Francis Messier as Vice President, Mr. William Messier as Treasurer, and Mr. Edward Drislane as Secretary. At that June 16, 1976 Meeting the Board of Directors retained the Law firm of Clapp & Eisenberg as Legal Counsel and Marshall Granger and Co. Certified Public Accountants, as auditors for the 1976-77 fiscal year. The Board also approved the budget and the fee formula for the 1976-77 year and voted to increase the Secretary's salary effective July 1, 1976.

During 1976-77 the Board of Directors took action on several matters, including accepting Mr. Steve Conway's resignation as a Director. The Board voted to have Mr. Ron Cutler of Abex Corporation succeed Mr. Conway as a Director. In addition, the Board of Directors authorized renewal of the lease on the office space of the Institute in Paramus, New Jersey for five years at terms favorable to the Institute.

The Board of Directors voted to favor the British position on International trade classification 68-14 which described friction materials. In essence this was to leave the classification unchanged. However, there were some revisions made to trade clsssification 68.14 which the Board of Directors will consider at the June 1977 Meeting.

The Board of Directors voted to extend an invitation to Dr. H. C. Lewinsohn, Raybestos-Manhattan Corporate Medical Director, to address the Membership at the June 1977 Meeting.

The Board of Directors recommended that the Institute distribute to the Trade Press and the Automotive Service Industry Association (ASIA) a write-up on recommended procedures for reducing asbestos dust during brake servicing. Also this recommended procedure was to be incorporated in the Institute's catalogs.

Based on inquiries made by the U.S. Department of Labor the Board of Directors were asked to ballot on whether Historical Sales information should be provided to that Department. The Board of Directors voted not to distribute this information to either the U.S. Department of Labor or other government agencies. The Board voted to continue the practice of treating this information confidentially and providing it only when necessary on advice from Counsel.

The Board of Directors voted to accept the name-change application of Forcee Manufacturing Corporation (to the new name of Safeguard Automotive Corporation). The Board of Directors voted to recommend to the Membership acceptance of the applications for Regional Membership filed by the Friction Materials Corporation of Dimona, Israel and Industria Colombiana de Asbestos (Incolbestos) of Bogota, Colombia. These applications were later accepted by the Membership. In addition, the Board of Directors voted to recommend for acceptance the application for Regional Membership filed by Don International Limited of Manchester, England. This application must be voted on for acceptance by the Membership. The Board of Directors also voted to accept the application of E & D Manufacturing Corporation of Warren, Michigan to be a Licensee of the Institute.

At the June 21, 1977 meeting of the Board of Directors in Scottsdale the Directors received the President's and Treasurer's reports and accepted them as written. In addition, the various committee reports were presented to the Board of Directors: Membership Committee, Investment Advisory Committee, Budget Committee, Fee Formula Committee, Public Relations Committee, Data Book and Technical Committee, Brake Performance Study Committee, Asbestos Study Committee, and the Annual Meeting Committee reports. All were accepted with specific action taken on the approval of the budget and recommendations on the fee formula which will be covered when the Fee Formula Committee reports. In addition, the Board of Directors voted to accept a quality control program which was written by a sub-committee of the Brake Performance Study Committee. Reports on committee activities will be given as the committee chairmen report to the membership. The Board also reviewed pension plan reports submitted by the trustees and a report from the Secretary on his attendance at the Federation of European Manufacturers of Friction Materials meeting in Europe this past May. The Directors reviewed but took no action as regards Customs Classification 68.14, Friction Materials.

The Directors were advised that Mr. John Marsh of Raybestos-Manhattan had contacted the Consumer Product Safety Commission where there was some background data submitted by the Natural Resources Defense Council citing asbestos problems in brake service shops. The Board of Directors recommended follow-up on the Consumer Product Safety Commission and the Secretary will contact Mr. Marsh. The Board of Directors reviewed a request by the R. L. Polk and Company to use the copyrighted FMSI numbers in conjunction with their National Vehicle Population Profile with the idea of selling such a program to members of the Institute. After review of this request by R. L. Polk it was rejected by the Board of Directors. Further, the Board of Directors reviewed a request for a product liability questionnaire which was sent in by a trade association in Philadelphia. After review of this suggested questionnaire the Board of Directors declined to circulate it to the membership. The Board of Directors considered a question on waste disposal problems facing the friction materials industry. They did not recommend action by the Institute in this area and suggested that individual members contact other members directly for suggestions on disposal methods for asbestos-containing waste.

The foregoing is a summary of activities of the Board of Directors since the June 1976 Meeting. Details of these actions taken at the Board of Directors Meeting may be secured by requesting a copy of the minutes of that Board meeting.

## MEMBERSHIP COMMITTEE REPORT

Mr. Greenen, Chairman of the Membership Committee noted the changes in membership during the past fiscal year. Please refer to EXHIBIT 2.

He covered various additions and losses in the Active Member and Regional Member category as well as the Licensee addition. His report indicated that an application was on hand from Don International Ltd. of Manchester, England and was being reviewed. In response to a question, the Secretary indicated that prior to his departure for the Annual Meeting he did not have sufficient votes from the Membership to accept the Don International Ltd. application. At that time there were 14 votes in favor and 1 against. Fifteen affirmative votes are needed for acceptance. (After returning from the Annual Meeting, sufficient affirmative ballots had been received to accept the Don International Ltd. application.)

Upon motion duly made, seconded, and unanimously passed, it was;

RESOLVED: To accept the report of the Membership Committee as written.

## TREASURER'S REPORT

Mr. William Messier of the Bendix Corporation was elected Treasurer of the Institute at the June 1976 Meeting. Mr. Messier sent his regrets that he would be unable to attend this year's Annual Meeting because of a commitment in South Bend for financial planning during the week of our meeting. The Secretary read the Treasurer's report. Please refer to EXHIBIT 3.

The Treasurer's report was based on balances taken as of April 30, 1977 and the figures shown were estimates based on that data. Please refer to EXHIBIT 3.1, the Balance Sheet projected as of June 30, 1977 and EXHIBIT 3.2, the Income Statement projected for 1976-77. The Treasurer projected income $6,600 over expenses for the 1976-77 year. The variances were analyzed. Summary data was shown for the ten years starting with 1968-69 up through tentative budget figures for the 1977-78 fiscal year.

Upon motion duly made, seconded, and unanimously passed, it was;

RESOLVED: To accept the Treasurer's report as written.

## INVESTMENT ADVISORY COMMITTEE REPORT

Mr. W. M. Sleeth, Chairman of the Investment Advisory Committee read his report. Please refer to EXHIBIT 4.

The Chairman indicated that total investments as of June 30, 1977 would be approximately $170,000 and that the income for the 1976-77 year was approximately $12,200.

A question was raised as regards the size of the capital and surplus that could be accumulated by the Institute without difficulty from Internal Revenue Service as regards the Institute's tax exempt status. Counsel indicated that capital and surplus approximately 2-1/2 times an annual expense budget could be maintained without problems from Internal Revenue Service. The Institute's capital and surplus runs about twice the annual expense budget.

Upon motion duly made, seconded and unanimously passed, it was;

RESOLVED: To accept the Investment Advisory Committee Report as written.

## BUDGET COMMITTEE REPORT

Mr. D. J. Ogilvie is the Chairman of the Budget Committee. The Chairman read the Budget Committee Report. Please refer to EXHIBIT 5.

The budget discussed item by item the various budgeted expenses and changes from 1976-77 figures. In summary the expense budget showed about a 5.4% increase over that for the 1976-77 year. A problem in preparing the budget is that the Committee cannot anticipate Board action as regards salaries and pensions. The Budget Committee projected about a 5% increase in these areas in order to prepare the 1977-78 budget. The total expense budget for 1977-78 came to $88,410 which compared to $83,855 for 1976-77.

Upon motion duly made, seconded and unanimously passed, it was;

RESOLVED: That the expense budget of $88,410 be accepted as proposed.

Upon motion duly made, seconded and unanimously passed, it was;

RESOLVED: To accept the report of the Budget Committee as written.

## FEE FORMULA COMMITTEE REPORT

Mr. W. M. Sleeth, Chairman of the Fee Formula Committee submitted this report. Please refer to EXHIBIT 6.

The Chairman projected that if the dues level for 1977-78 was maintained at the same level as in 1976-77 it would produce approximately $75,000 of income. With the preliminary budget figures and projected interest income this would produce a balanced budget for 1977-78. The Chairman concluded that there were two options: (1) Maintain the dues level for 1977-78; (2) Increase the dues level for Active Members, Regional Members and Licensees for 1977-78. Essentially the Chairman recommended that the fee formula be decided by the Board of Directors.

At the Board of Directors meeting on June 21, 1977 the Directors voted to maintain the same fee formula for 1977-78 as in 1976-77. Also there was a point brought up concerning the lack of members declaring in the new unlined shoe category. This category is now down to two members. The directors reviewed this and voted not to change the definition of categories.

Upon motion duly made, seconded and unanimously passed, it was;

RESOLVED: To accept the report of the Fee Formula Committee as written.

## DR. H.C. LEWINSOHN, CORPORATE MEDICAL DIRECTOR OF RAYBESTOS-MANHATTAN

The Board of Directors invited Dr. H. C. Lewinschn, Corporate Medical Director of Raybestos-Manhattan, to give a presentation to the members on the asbestos problem with a medical viewpoint. Dr. Lewinsohn is an authority on the medical aspects of asbestos in an industrial environment. He had been Chief Medical Officer for TBA Industrial Products Limited in Great Britain as well as medical adviser for the worldwide operations of Turner and Newall Ltd.

Dr. Lewinsohn has considerable experience in occupational epidemiology as regards asbestos exposure in Great Britain. The Institute extended a warm welcome to Dr. Lewinsohn.

Dr. Lewinsohn proceeded with a well documented paper on asbestos and its effects on workers. He stated that the asbestos problem is industry-wide and is not just a problem for Raybestos-Manhattan. He proceeded with a slide program and a definition of asbestos. He discussed the types of asbestos such as the chrysotile and crocidolite. Dr. Lewinsohn described some of the results of exposure to asbestos including benign effects and those which are disabling and in some cases fatal--asbestosis, lung cancer, and mesothelioma.

NIOSH had published some recommendations on controlling asbestos dust in brake service shops. These recommendations were adapted by Raybestos-Manhattan and added to their catalogs to guide those working with asbestos-containing friction materials. Dr. Lewinsohn pointed out that the legal standards are maximums and that those working with asbestos should be striving to reduce exposure levels below these maximums. Dr. Lewinsohn's presentation included slide programs showing the effects of asbestos exposure on the respiratory system and included examinations of tissue from humans after exposure to asbestos. The slides showed the severe exposure conditions of some miners in South Africa and it also showed environmental contamination where piles of asbestos were stacked up in the back yards of homes in South Africa. These slides illustrated the extreme conditions of environmental exposure and could explain why some researchers claim that environmental contamination is a problem only second in seriousness to occupational exposure.

Dr. Lewinsohn indicated that if there were no government intervention in these areas it would be necessary for industry to take the initiative themselves. However, the regulations are now coming from government. It is important that industry listen to the workers and gather input from as many sources as possible in order to attack the problem of asbestos exposure before others intervene even more strongly.

In the discussion that follwed Dr. Lewinsohn's presentation, questions were asked as to where industry could get experienced people from the medical profession to help them in controlling asbestos in the workplace. While this question is not readily answerable one should seek help from experts such as certified radiologists and physiologists. Those with experience in other occupational areas might be skilled in this problem area. One might contact the American Occupational Medical Society to find members in their areas. Diagnostics and epidemiological studies are the field of the physician. Prevention is the field for the engineer.

Questions were posed on the search for substitutes for asbestos. While there is considerable activity looking for asbestos substitutes in the friction material industry, engineering and economic problems encountered with arranging substitutes have not been fully developed. Possible long term epidemiological effects from substitute materials will be difficult to measure, and if there are problems, they may not be uncovered for many years.

Questions arose concerning the membrane filter method for measuring fibers greater than 5 microns in length. Some researchers--particulary the Mt. Sinai group--contend that the most danger is with fibers less than 0.1 microns in diameter, and that any concentrations of these smaller fibers must be measured with the electron microscope. Dr. Lewinsohn indicated that this was a view of the Mount Sinai researchers but that measurements by the membrane filter method or by electron microscope method would both serve as an index on the contamination in the workplace. Because of the very expensive electron microscopes, membrane filter, even with its problems, was a viable tool for getting the workplace cleaned up. The membrane filter method using optical microscopy is relatively simple and reasonably repetitive. One can monitor variations between observers. Optical microscopy is not expensive and the measurement potential does serve as an index of exposure levels. Electron microscopy is expensive. It is also a statistical technique and its answer is speculative.

Dr. Lewinsohn indicated that sufficient time had not elapsed since introduction of the 2 fiber/cc standard to validate it or invalidate it as a safe level for cancer or mesothelioma. Dr. Lewinsohn urged those involved with the asbestos problem to continue a dialog with the regulators. It is only in this way that they can be made aware of industry problems and possible industry solutions to these problems. Also dialog will help maintain a flow of information from the regulators that will be helpful in any objective review of proposed regulations.

## NOMINATING COMMITTEE REPORT

Mr. J. W. Greenen, Chairman of the Nominating Committee presented his report. Mr. Greenen noted that the terms of three directors would be expiring as of June 30, 1977: Mr. Ron Cutler, Mr. Ron Moalli, and Mr. Max Sleeth. The other four directors are completing their first year of their two year terms. They are Mr. J. W. Greenen, Mr. F. E. Messier, Mr. G. A. Carrigan and Mr. E. R. Zacharias. The Nominating Committee presented the names of Mr. Cutler, Mr. Moalli and Mr. Sleeth for re-election to serve until June 30, 1979. Other nominations were called for but none were made. Upon motion duly made, seconded and unanimously passed, it was;

RESOLVED: That nominations be closed.

The Secretary was directed to cast one vote each for the election of Mr. Cutler, Mr. Moalli and Mr. Sleeth to the Board of Directors. The Secretary advised that the ballots had been cast. Messrs. Cutler, Moalli and Sleeth are elected as Directors to serve until June 30, 1979.

The Chairman advised that Mr. F. E. Messier had tendered his resignation from the Board of Directors.

The Nominating Committee then presented the name of Mr. William Simon to serve the unexpired term of Mr. Messier until June 30, 1978. Other nominations were called for but none were made. Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: That nominations be closed.

The Secretary was directed to cast one vote for the election of Mr. Simon to fill Mr. Messier's unexpired term on the Board of Directors. The Secretary advised that the ballot had been cast. Mr. Simon is elected as a Director to serve until June 30, 1978.

The Chairman advised that with the election of these candidates and the continuation in office of the directors whose terms had not expired, the Board now consists of the required seven members.

## BRAKE PERFORMANCE STUDY COMMITTEE REPORT

Mr. Nelson, Chairman of the Brake Performance Study Committee presented this report. Please refer to EXHIBIT 7.

Mr. Nelson commented on DOT standards 121 and 105-75 indicating that there have not been significant changes in these during the past year. He also reported on two bulletins concerning defect notification requirement procedures as well as the work done by Professor Harry Cook of the University of Illinois entitled "The Development of a Classification Scheme for Brake Linings." This was a research project funded by NHTSA in support of studies on Docket 1-4. Other than the work by Professor Cook there has been nothing else on Docket 1-4. The Chairman stated that action in the Docket 1-4 area is not high priority. The Institute did comment on the Vehicle Equipment Safety Commission V-14 proposals for brake wear warning devices. The Secretary made a presentation at the VESC hearing in Baltimore in May 1977.

Mr. Nelson reported that AAMVA will accept two witnessed tests along with three tests which had been previously submitted in support of a certification application to AAMVA. Prior to this, the requirement had been that there be a total of 5 new tests run on the friction material being recertified. This is an informal concession on the part of AAMVA with which all members should be familiar. It cuts some costs from the re-certification requirements of AAMVA.

The Chairman discussed the Institute's comments on Federal Brake Lining Specification HH-L-361E which had been coordinated by the Defense Construction Supply Center. This new Federal specification included a dynamometer procedure for brake linings rather than a sample test procedure. The Institute commented as to how costly and non-competitive this was and that the replacement manufacturer would have considerable difficulty certifying that his materials meet this specification, based on the costly dynamometer procedure.

Included in the Chairman's report was the recommendation that the Quality Control Program prepared by the Quality Control Sub-committee be accepted by the Board of Directors. At the meeting on June 21, 1977 the Board of Directors did recommend that the Quality Control Program be distributed to the membership. In the discussion following the Chairman's report it was stated that the Board of Directors had unanimously voted to accept the Quality Control Program as written and recommended its distribution to the membership. Further, the Quality Control Program is an internal program for possible use by FMSI members but it is not for outside distribution.

In the Chairman's exhibits for his report a draft copy of the comments on Specification HH-L-361E were attached. It was suggested that the Secretary distribute the final copy as sent to the Defense Construction Supply Center. This pertained to the concern expressed by the Institute as regards the cost of dynamometer procedures in a federal specification.

Upon motion duly made, seconded and unanimously passed, it was;

RESOLVED: To accept the report of the Brake Performance Study Committee as written.

## ASBESTOS STUDY COMMITTEE REPORT

Mr. H. H. Wagner of Carlisle Corporation is Chairman of the Asbestos Study Committee. Mr. Drislane read the Chairman's report. Please refer to EXHIBIT 9.

The Chairman discussed activities during the past year and suggested that each member have a representative on the committee. The Committee's make-up is now from five companies: Mr. H. Wagner, Chairman; Mr. B. J. Iwarsson, Abex; Mr. David E. Stone, Bendix; Mr. Ike Weaver, Raybestos; and Mr. John Dunderdale, Royal.

During the year the Committee reviewed the write-up on "Recommended Procedures for Reducing Asbestos Dust During Brake Servicing," and recommended it for Institute catalogs and distribution to the news media and to others as requested.

One member commented to the effect that asbestos is now the most important problem for the Friction Materials Standards Institute and its members. It was recommended that a stronger effort be put forth a as regards the asbestos problem. The Secretary commented that the Chairman's recommendation to have Committee members from each of the Institute members would produce an unwieldy committee of nineteen people. A member pointed out that without full participation by all members, some members will do nothing. The Brake Performance Study Committee Chairman indicated that it was his experience that a committee of nineteen would be unwieldy and concurred with the Secretary that a desirable participation would be somewhere between five and ten members.

In response to another question, it was indicated that information concerning the asbestos problem and actions by OSHA, EPA and others is distributed to all members. However, all members do not get all the information that someone sitting on the Asbestos Study Committee would get.

The incoming president will have to review Committee assignments and do what is necessary to strengthen the Asbestos Study Committee in attempting to get the industry viewpoint to the regulators as well as keeping the Institute members informed.

Upon motion duly made, seconded and unanimously passed, it was;

RESOLVED: To accept the report of the Asbestos Study Committee as written.

## DATA BOOK AND TECHNICAL COMMITTEE REPORT

Mr. Ron Moalli, Chairman of the Data Book and Technical Committee prepared this report. The report was read to the Membership by the Secretary. Please refer to EXHIBIT 8.

The Chairman discussed Institute procedures on the introduction of metrics into catalogs and the treatment of metrics where some inconsistencies developed in the clutch facing section of the catalog. The Chairman discussed the disclaimer in Institute catalogs and the possible liability that the Institute might incur from inadvertently publishing inaccurate data. This subject was discussed in detail at a committee meeting and Legal Counsel subsequently presented some recommendations for the disclaimer language. Mr. Moalli indicated that no action should be taken on this subject until such time as the committee has had a chance to review these recommendations at a meeting.

The actual wording of "Recommended Procedures for Reducing Asbestos Dust During Brake Servicing" was prepared by Raybestos-Manhattan. These recommendations were sent to the Institute for consideration as a possible Institute release because the Institute had been questioned several times concerning asbestos problems in brake shops. The Data Book and Technical Committee as well as the Asbestos Study Committee reviewed these procedures and recommended their insertion in our catalogs.

In addition, Mr. Moalli covered the action taken on the Industrial Friction Catalog based on the June 1976 discussion at the Membership meeting, and he commented further as regards style and paper in the catalogs.

Upon motion duly made, seconded and unanimously passed, it was:

RESOLVED: To accept the report of the Data Book and Technical Committee as written.

The President asked that his thanks be expressed to Mr. Moalli and the Committee for their efforts and work during this past year.

## PUBLIC RELATIONS COMMITTEE REPORT

Mr. E. Rysso of Hayes-Albion, Chairman of the Public Relations Committee, read the report. Please refer to EXHIBIT 12.

In summary, the Chairman reported on the press release that was made announcing the election of officers in June 1976 and the release to the trade press on "Recommended Procedures for Reducing Asbestos Dust During Brake Servicing."

A suggestion was made that the presentation made by Dr. Lewinsohn at the June 22, 1977 session be released by the Institute to the press. The Secretary indicated that he would ask Dr. Lewinsohn for a copy of his paper, and he would ask for permission to release it.

Upon motion duly made, seconded and unanimously passed, it was;

RESOLVED: To accept the report of the Public Relations Committee as written.

## HISTORICAL SALES REPORTING PROGRAM

The Secretary read the report on the Historical Sales Reporting Program. Please refer to EXHIBIT 13.

Of the nineteen Active Members, seventeen reported at least once during 1976. This is the best percentage reporting since the Historical Sales Reporting Program started in 1971. No changes were recommended in the format for the program.

The Secretary stated that he had received comments from a member that the Government was seeking information on input to the historical sales statistics and because of this that member's company may discontinue participation in the program. Their data had been subpoenaed. Another member stated that the Federal Trade Commission (FTC) would make inquiries concerning subjects of this nature but it is the Justice Department that issues subpoenas. However, one member pointed out that the Justice Department could ask for this data regardless of the Historical Sales Reporting Program. The actual subpoena was not related to the Historical Sales Reporting Program as such. It was stated that because of the format in which the data is presented to the accountants that this could have made the job simpler for various members in responding to Justice Department subpoenas.

One member questioned outsider access to the data. Counsel repeated observations that he had made after he had attended a seminar on trade associations in Washington. He was informally advised that there was no need for others to be granted access to this data because membership in the Institute is open to qualified members. Since the right to become a member is not unduly restricted, no qualified party would suffer as regards lack of access to this information. The member clarified the question indicating that a jobber—not a party qualified to be a member--had requested this information. The jobber could not receive historical sales data directly. However, this information is distributed to the members who report in the program and they are free to use this information for any valid business purpose.

## ANNUAL MEETING COMMITTEE REPORT

Mr. F. W. Barton, Reddaway Manufacturing Corporation, is Chairman of the Annual Meeting Committee. Mr. Ross Kettering read this report. Please refer to EXHIBIT 14.

In summary this report recommended a return to Camelback for the 1978 Meeting, and if that were not the wish of the Membership that either the Abbey, Lake Geneva, Wisconsin or Carson Inn/Nordic Hills near Chicago be selected as alternate sites. Pinehurst in North Carolina was considered but not recommended. The Committee also recommended that the dates of the Annual Meeting be moved from the middle of June to mid-May or early June and that in the future wives be invited to attend.

In a comment concerning Pinehurst, a member indicated that while there are bottle laws in North Carolina they are in no way restrictive.

The Board of Directors reviewed this report and concurred with the Committee in returning to Camelback in 1978. However, they were not in favor of the alternate sites and recommended either Tamarron, Durango, Colorado or the Ocean Reef Club in Key Largo, Florida. Further, the Directors resolved to maintain the same general dates for the Annual Meeting. The possibility of extending an invitation to wives was discussed and no action was taken thereon.

There was no argument raised against returning to Camelback. It was suggested that actually this had been a good location but that one of the problems was the fact that the Members were scattered throughout this large complex. It was suggested that rooms be blocked off in one area near each other. Members noted that one of the advantages of returning to Camelback was the nearness to a major airport. It was also suggested that this meeting was better organized from a scheduling viewpoint in having the first session of the Annual Meeting scheduled on the first afternoon rather than in the morning. After further discussion, and upon motion duly made, seconded and unanimously passed, it was;

RESOLVED That the Annual Membership Meeting be scheduled with the first session in the afternoon with the second session scheduled on the following morning.

The Directors had earlier resolved to return to Camelback if there were no significant objections from the Membership. There were none.

Upon motion duly made, seconded and unanimously passed, it was;

RESOLVED: To accept the report of the Annual Meeting Committee with exceptions as noted.

## INTRODUCTION OF OFFICERS FOR 1977-78

At this point the Secretary was directed to introduce the officers who would be taking office as of July 1, 1976. The new officers are: President: Mr. Francis E. Messier, Bendix Corporation, Automotive Aftermarket Operations; Vice President: Mr. Ronald R. Moalli, Raybestos-Manhattan Inc., RM International Division; Treasurer: Mr. William F. Messier, Bendix Corporation, Friction Materials Division; Secretary: Mr. Edward W. Drislane, Friction Materials Standards Institute.

## OTHER BUSINESS

A member asked for some clarification as to what the Institute was doing as regards the Consumer Product Safety Commission. The Secretary replied that he had been copied on a letter by Mr. John Marsh for internal use in Raybestos-Manhattan. A copy of this letter was sent to us to indicate the seriousness of the possibility of banning the use of asbestos in brake linings. The Secretary, at the Board meeting, was directed to circulate this information to the Membership. Also, as Mr. Moalli was not present at this meeting, the Secretary was to contact Mr. Moalli and Mr. Marsh for guidance as to action that the Institute might take as regards the Consumer Product Safety Commission. A member indicated that this could be a gigantic problem if the Consumer Product Safety Commission should direct a recall program for asbestos-bearing friction materials. It was suggested that we must monitor and maintain dialog with Washington in this new problem area at the Consumer Product Safety Commission.

* * * * *

There being no further business brought to the attention of the members, upon motion duly made, seconded and unanimously passed, it was;

RESOLVED: To adjourn.

Adjourned: 10:30 A.M.

E. W. Drislane
Secretary