

MINUTES OF MEETING

of the

BOARD OF DIRECTORS

Tuesday, June 24, 1980 at 8:30 A.M.

at

The Homestead, Hot Springs, Virginia

DIRECTORS PRESENT

Gordon A. Carrigan, President
Francis E. Messier, Vice President

William Simon
Joseph W. Greenen
Stuart Comins

S. K. Wellman Corporation
Bendix Corporation
Automotive Aftermarket Operations
Brassbestos Manufacturing Corporation
Nuturn Corporation
P. T. Brake Lining Company

OTHERS PRESENT

Robert E. Nelson
James W. Armstrong
Robert P. Gorman, Counsel
Edward W. Drislane, Secretary

Abex Corporation
Bendix Corporation
Robert P. Gorman, Esquire
Friction Materials Standards Institute

* * * * *

Mr. Carrigan, Chairman, opened the meeting at 8:30 A.M.

MINUTES OF PREVIOUS MEETING

The minutes of the Board of Directors meeting of February 25, 1980 had been distributed. No corrections were suggested.

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

RESOLVED: That the minutes of the February 25, 1980 Meeting be accepted as written.

PRESIDENT'S REPORT

Mr. Carrigan, President, read this report. Refer to EXHIBIT 1.

Mr Carrigan discussed the changes which took place after Mr. Moalli's and Mr. Cutler's resignations.. He noted the work that Mr. Moalli did during his time in office, the loss of Mr. Doug Ogilvie and Mr. Jack Black, and other subjects that would be discussed at this Annual Meeting.

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

RESOLVED: To accept the President's report as written

June 24, 1980

MEMBERSHIP COMMITTEE REPORT

Mr. Carrigan had served as Chairman of the Membership Committee, and because of the many changes during the past year, continued with these responsibilities after assuming the Presidency. See the Membership Committee Report, EXHIBIT 2.

Mr. Carrigan reported on the changes in membership during the year, which showed a net increase in Active Members of 1 (Krasne), a net loss in Regionals of 1 (Add Ferodo Ltd., Lose Friction Materials of Israel and Borg & Beck de Mexico), and net increase of 2 in Licensees (Add Kashiya and Toledo Pressed Steel).

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, Treasurer, prepared this report. Refer to EXHIBIT 3. The Secretary read Mr. Messier's report.

Mr. Messier's report, based on a trial balance of April 30, 1980, projected substantial excess of income over expenses for the full fiscal year. The projection was for an excess of \$17,000 of income over expenses. His report analyzed variances, with the most significant difference being the decrease in Pension Expense resulting from pension payments being made from a separate Trust rather than from the Corporation. To accomplish this change, \$55,000 was transferred on January 1, 1980 to an irrevocable trust for Miss Duschek's pension.

The Secretary at this point stated that two Regional Members were delinquent in their dues payments, and that neither had responded to follow-up correspondence on their fees. Friction Materials Corporation of Dimona, Israel had not paid any quarterly fee installment for this fiscal year, and also had a small unpaid balance from the previous year. A Director stated that the Israel plant was shut down and was no longer in operation. Also, Borg & Beck de Mexico, whose initial one year fee had been paid through September 30, 1979 had not paid any fee installment since that time.

Based on these fee delinquencies, the Board of Directors voted to terminate the Memberships of both Friction Materials Corporation of Dimona, Israel and Borg & Beck de Mexico, S.A.

At its June, 1979 meeting the Board decided to pursue collection of an unpaid fee owed by Hayes-Albion Corporation, a former Active Member that resigned during the membership year. Through Counsel that fee was collected.

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

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

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

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

DATA BOOK AND TECHNICAL COMMITTEE REPORT

Mr. Phil Grim of Abex Corporation is Chairman of the Data Book and Technical Committee. In Mr. Grim's absence, Mr. Drislane read the Chairman's report. Refer to EXHIBIT 8.

The Secretary noted that Mr. Grim's report was written based on a Committee Meeting in October 1979. There had in certain cases been actions taken on some of the items in this report that did affect the report contents.

In part of his report, Mr. Grim referred to "hybrid" lining sets as a set which had an integrally molded lining at one position and a riveted or bonded lining at the other position. An example would be the FMSI 7089 assignment for the 1980 Chevette, where the inner is bonded and the outer is integrally molded. The Committee voted to show this with the double asterisk (**) which indicated integrally molded, and that the overall lining-steel thickness would be shown. While there was no objection to this treatment, the use of the word "hybrid" was questioned. It was indicated in some quarters that the term "hybrid" may be used to indicate different lining materials on a brake.

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

RESOLVED: To have the Data Book and Technical Committee review the use of the word "hybrid" in describing a combination integrally molded lining at one position with a bonded or riveted lining at the other, and select a better description for this type set.

The Directors reviewed the Committee's recommendations on discontinuance of use of the EDP Numbers in Institute catalogs. The Committee had been in favor of discontinuing publication of the EDP Numbers in the catalogs, but in canvass of the Membership it was determined that one member was using these EDP Numbers and they would not, therefore, be discontinued. A Director asked how the Institute assigned the numbers, and was advised that they were assigned in sequence of issuance, and had no relationship with type of product, (ie, brake lining, brake shoe or clutch facing) and that assigning was strictly arbitrary. It was suggested that the one member could take care of his problem by using the EDP Numbers already assigned, and then arbitrarily assign new EDP Numbers to any new releases. The Secretary was asked what effort or problem was involved in EDP Number assignment. He indicated that there was no problem, but that if these numbers were a waste of space in the catalogs, and were not used, they should be deleted.

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

RESOLVED: To discontinue the printing of the EDP
Numbers in the Institute catalogs.

An area of concern covered in the report was the usage of metallic type linings. This particularly referred to the semi-metallic types being used as original equipment on the disc fronts of several domestic cars. The Committee in October recommended that the Institute not indicate metallic type in its technical bulletins and catalogs for several reasons, as indicated in the report. The Directors concurred with this Committee position at the Board Meeting on December 4, 1979. A Director stated that there was a need for information on the original equipment usage of semi-metallic types. Another Director stated that the presentation of types of materials could present a major problem, in that one party might then wish to indicate linseed oil types versus dry mix types, or woven versus molded clutch facings. It was stated that the FMSI numbers and catalogs should indicate dimensional and drilling information only.

It was generally agreed that information on metallic usage was needed, but that it should be handled just as done with the special April bulletin to the Membership which indicated FMSI Numbers, and position for the semi-mets. This could be done after the original equipment information is on hand, and metallic usage would not be shown in the catalogs. Counsel asked if a copy of the April bulletin was available. The Secretary produced a copy which Counsel reviewed. The wording included a disclaimer at the beginning with the Institute's formal disclaimer at the end of the bulletin. The Directors concurred that future information to Members will take this form of a special bulletin, and the information on metallics will not be shown in the Institute catalogs. It will then be up to the Members to inform their customers on usage, or to catalog this information as they see fit.

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

RESOLVED: To accept the report of the Data Book and
Technical Committee as written, with pro-
vision that information on metallic type
disc brake linings be published in special
bulletins and not in the catalogs.

HEALTH AND ENVIRONMENTAL AFFAIRS COMMITTEE

Mr. James Armstrong of Bendix Corporation chairs this Committee. Mr. Armstrong read the Committee report. Refer to EXHIBIT 9.

The Chairman summarized activities by Federal regulatory agencies such as EPA in Toxic Substances control and Hazardous Waste Management, OSHA with its workplace standards and the NIOSH recommendations, the status of legislative activity relative to an asbestos hazards compensation act, and general Institute activities and replies and contacts with the EPA.

Mr. Armstrong indicated that the EPA was aiming for non-asbestos disc brake linings by 1985. In response to a question, he indicated that this was EPA action and it would affect imported linings as well as those produced domestically. He indicated that there was considerable lack of understanding on the part of the regulators as regards industry's need for lead time. In some cases personnel were unaware that some semi-metallic types used an asbestos backing. As regards substitutes, it was stated that EPA or other government regulators cannot guarantee that the substitutes for asbestos are free from health problems. This is of concern in the fiberglass area where fiberglass is known as an irritant which has caused rashes and which workers find problems in handling. If the long term health hazards are due to the fibrous nature of the material, it could be that all fibrous materials are suspect.

Questions were asked as to what the Institute did as regards the regulatory initiatives. Mr. Armstrong indicated that the Institute made contacts with several parties in the EPA's Office of Toxic Substances. We replied to the EPA on their advance notice of proposed rulemaking noting that their high exposure allegations for brake repair workers were not supported by the facts. The Institute sent a Task Force to Washington to reword the EPA's questions on the replacement of asbestos in friction materials, limiting the questions to the light duty disc brake area only. As stated in Mr. Armstrong's report, the Institute revised the wording of the cautions printed in all the Institute's catalogs. The Institute worked with an Asbestos Information Association ad hoc committee on friction materials in developing questionnaires and interpreting answers on training and labelling practices for friction materials manufacturers and users.

As regards waste disposal, Mr. Armstrong advised on the regulations published by EPA in the Federal Register of May 19, 1980. These concern the disposal of hazardous waste in line with the requirements of the Resource Conservation and Recovery Act (RCRA) of 1976. Mr. Armstrong indicated that Mr. Bob Pigg of the Asbestos Information Association would have more on this in his talk with the Membership on June 25.

A statement was made that the Committee doesn't represent all Institute Members. A Director stated that it was important that the Chairman select those to serve the Committee, and that Members of a Technical Committee should be qualified to serve. One Director indicated that membership on such an important Committee should be open to everyone, but it was stated that this could make the committee unworkable. It was suggested that there could be two levels of a committee. One would be the Working Committee with qualified technical participants, and there could be another Advisory Committee which could be staffed with representatives of every Member.

It was suggested that if the Institute did a better job of informing the Membership on activities in this area, there could then be a two-way flow of information between the Members and the Committee. The Secretary indicated that he sent information on activities in this area to the Members on an "as-needed" basis. The information is sent to those with technical interests in this area. In this way the infor-

mation is sent to the party who must deal firsthand with the problem. In most cases, this is not the Delegate-Alternate. It was stated that the mailing should be sent to the Delegates and Alternates and it would be their responsibility to see that the information was sent to the parties involved. In this fashion the Institute could ask for any input from the members, and the Institute would maintain a steady dialog with the Members.

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

RESOLVED: That the Institute Office send information regarding asbestos, Federal and State regulations, hazardous waste management and similar type information to the Delegates and Alternates on a regular basis.

As regards waste disposal, Mr. Armstrong noted that the regulations published in the Federal Register on May 19, 1980, are a major step in implementation of the Resource Conservation and Recovery Act (RCRA) of 1976. These impose requirements on generators of hazardous waste (the friction materials manufacturer), transporters of hazardous waste, and the waste disposal site operators. There will be additional costs in transporting the waste. Manifests will be required. There are certain exceptions to the requirements with the major exception being for generators of less than 2200 Pounds (1,000 kilograms) per month. For this limitation, this is the total of all wastes that could be considered hazardous waste as defined in the regulations. It is noted that asbestos is included in the list of hazardous wastes in the May 19, 1980 listing, but there is a question as to whether this is for raw asbestos, or waste in which asbestos may be only part of the composition as would be the case with friction materials. It was stated that the Institute should send summary information on waste disposal to the Membership. (Based on Mr. Pigg's presentation later at the Membership Meeting, his comments on waste disposal regulations along with a copy of his notice to the AIA Membership concerning waste disposal, and the Federal Register Notice of May 19, 1980 are being sent to the Membership).

It was pointed out that waste disposal will become a matter of major concern to our Membership based on the chemical waste problems that received media attention with Kepone, Love Canal, and the like. Asbestos is not the only concern in this area, but other materials used in friction materials manufacture such as phenol, toluene, and other solvents are subject to the regulations on toxic waste management.

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

RESOLVED: To accept the report of the Health and Environmental Affairs Committee as written.

Minutes of the Meeting of the
Board of Directors

-13-

June 24, 1940

* * * * *

There being no other business brought to the attention of the Board of Directors, upon motion duly made, seconded and unanimously passed, it was

RESOLVED: To Adjourn

Adjourned: 12:15 P. M.

E. W. Drislane
Secretary