FRICTION MATERIALS STANDARDS INSTITUTE, INC., E-210 ROUTE 4, PARAMUS, N.J. 07652

Ed – OK as marked w/ Bob

CONFIRMED MINUTES

MINUTES OF THE ANNUAL MEETING

of the

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

Wednesday and Thursday June 25 and 26, 1980

at

The Homestead, Hot Springs, Virginia

MEMBERS PRESENT	REPRESENTATIVES
Abex Corporation	Robert E. Nelson
Bendix Corporation	Francis E. Messier, Vice President
Brassbestos Manufacturing Company	William Simon
Delco-Moraine Division-General Motors Corp.	Fred Yost (Proxy D. L. Emrick)
Lear-Siegler Company	Robert Anderson
Nuturn Corporation	Joseph W. Greenen
P. T. Brake Lining Company	Stuart Comins
H. K. Porter Company	W. Max Sleeth
Raybestos-Manhattan, Inc.	David E. Cunningham
Reddaway Manufacturing Company	John M. Moore
Thiokol Chemical Corporation	John P. Gallagher
S. K. Wellman Corporation	Gordon A. Carrigan, President
Wheeling Brake Block Company	Lee Burgess

OTHERS PRESENT	
Bendix Corporation	James W. Armstrong
	Thomas Hernon
Delco-Moraine Division (Retired)	Ross E. Kettering
Frenos-Venezolanos (Regional Member)	Georg Moser
H. Krasne Manufacturing Company	William Osborn
Lear Siegler Company	Robert Mighton
Nuturn Corporation	James L. Mellow
P. T. Brake Lining Company	Steve Doyle
	Ben Kublin
H. K. Porter Company	George J. Bohrer
Reddaway Manufacturing Company	F. William Barton
Wheeling Brake Block Company	Burgess L. Burgess
	George Stratton
Asbestos Information Association	Bob J. Pigg (Guest)
Legal Counsel	Robert P. Gorman, Esquire
Friction Materials Standards Institute, Inc.	Edward W. Drislane, Secretary

Mr. Carrigan, President, called the meeting to order at 1:35 P.M.

MINUTES OF MEETINGS OF JUNE 13-14, 1979

The minutes of the Membership Meetings held June 13-14, 1979 had been distributed. No corrections were suggested.

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They voted to discontinue publication of the EDP Numbers in Institute catalogs. The Directors considered the need for informing Members on original equipment use of metallic linings--with the semi-mets now used on disc brakes--and resolved that the Institute would inform the Membership on usage by bulletins, but would not list this information in its catalogs. It would be up to the individual manufacturer to decide on coverage and distribution of application information to the field. The Board of Directors approved the Data Book and Technical Committee report.

The Directors reviewed the report of the Health and Environmental Affairs Committee (formerly the Asbestos Study Committee). The Chairman reported that the EPA is aiming for a ban on asbestos in disc brake linings by 1985, and that the hazardous waste disposal regulations issued under the Resource Conservation and Recovery Act (RCRA) will be effective on November 19, 1980. The Directors directed that the Institute Office and Committee improve information flow to Delegates and Alternates. The Board approved the report of the Health and Environmental Affairs Committee.

The Board reviewed the report of the Brake Performance Study Committee and approved that report. While the Directors received the report on the Annual Meeting, they decided to return in 1981 to the Homestead, Hot Springs, Virginia. With that major exception, they accepted the report of the Annual Meeting Committee.

The Board of Directors voted to terminate the Defined Benefit Pension Plan for Institute Employees, and replace it with contributions to a Simplified Employee Pension Plan (SEP) using Individual Retirement Accounts (IRA). The Board voted to ~~approve~~ authorize negotiations by the Secretary with the Landlord on the lease of Office Space at the Bergen Mall Office Center. The Board approved a plan for Indemnification of Officers and Directors for action taken in their capacity as Officers and Directors, and recommended its submission to the Membership in the form of an amendment to the Institute's By-Laws.

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

> RESOLVED: To accept the report on Board of Directors activities as read.

HEALTH AND ENVIRONMENTAL AFFAIRS COMMITTEE

Mr. James Armstrong, Chairman of the Health and Environmental Affairs Committee read this 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. He indicated that EPA was apparently aiming at a ban on asbestos in disc brake linings by 1985. In discussing the hazardous waste disposal regulations that were published in the Federal Register on May 19, 1980, with effective date of November 19, 1980, questions were asked relative to the exemption for generators of less than 1,000 kilograms (2,200 pounds) per month of hazardous waste. There is a question as to whether the identification of asbestos as a hazardous waste in the May 19 notice included friction materials waste which is only part asbestos. In discussing this less than 2,200 pound exemption it was indicated that the small rebuilder will be exempted, but that if friction materials waste (used linings, drillings, and other dust) is considered a hazardous waste and goes over the 2,200 pound exemption level at larger rebuilders, they would be required to complete manifests and other compliance reports required by the regulations.

UNCONFIRMED MINUTES

As regards the OSHA requirements in the work place, where the exposure limit for the 8 hour TWA is now 2 fibers per cc, this could go to 0.1, 0.2, 0.5, or 1.0 fibers per cc. There is little question but that OSHA will propose lowering the present 2 fiber per cc exposure limit. Any OSHA requirements will be in the exposure limits as well as in peripheral requirements such as medical exams, notification of workers, records and the like. If a ban were proposed, it would come from EPA, under the Toxic Substances Control Act (TSCA). Questions were asked concerning lead times if EPA proposed a ban. The Chairman suggested that if EPA were to attempt banning asbestos in commercial products, they might do this either of two ways: (1) Ban a product by product line--such as all disc brake linings; (2) Call for a reduction in asbestos use across the product line--such as from 50% to 30%. While EPA claims that the technology exists for banning the use of asbestos in disc brake linings, they may target 1982 for a ban, but it would more likely be 1984-85.

where EPA is wrong

Questions arose on the possibly lower OSHA exposure limits. If the levels were reduced to 0.5 or 0.1 fibers per cc, how could these levels be measured? One approach would be to study the error that exists in the current optical microscopy techniques, and attempt to reduce these errors. The other approach could be the move to electron microscopy, which had been tried by the Department of Labor in California--this is expensive equipment and the counts will be considerably more expensive than with the optical methods.

At this point, a Member stated that his Plant had been cited for asbestos pollution by the EPA. In response to a question, he indicated that he was in EPA's Chicago Region. The fine that he faces could amount to $25,000 a day since the date of alleged non-compliance. He indicated that at the alleged area of non-compliance that one could not find a "thimble-full" of asbestos dust. Another Member indicated that compliance is difficult. The only way one can prove compliance is by special monitoring, soil boring, and the like. The EPA monitors with a "black box," and one must refute ~~EPA~~ EPA's allegations technically.

The Member indicated that he would be in court with the EPA on June 30, 1980, and that if the EPA were to be sustained, he could be shut down. The EPA can make allegations of asbestos pollution of the environment from soil counts, or from tests showing leaching of asbestos into streams. Another Member indicated that they had refuted such allegations by making analyses of water upstream from the factory. It was suggested that a manufacturer's insurance carrier may have technical expertise to help in such cases, or at minimum be able to recommend outside consultants who would have this expertise.

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

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

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MR. BOB PIGG, ASBESTOS INFORMATION ASSOCIATION - GUEST SPEAKER

Mr. Gordon Carrigan, President, introduced Mr. Bob Pigg, the Institute's Guest Speaker for this Meeting. Mr. Pigg has served as Executive Director of the Asbestos Information Association, N.A. since September 1978, having earlier served as Administrative Assistant at the Association since 1974.

Mr. Pigg's remarks were prepared for this Meeting, and were a fresh update on what has happened, what is currently in the works, and what he forsees for the future. (A copy of Mr. Pigg's talk to the Membership was subsequently distributed to the Membership). He discussed the last ten years of regulation, with particular emphasis on those Agencies impacting the friction materials industry--OSHA and EPA. Noted were OSHA's recent rule on access to exposure and medical records, a new asbestos alert campaign, and the OSHA plans for revision of the workplace standards. Mr. Pigg stated that an advance notice of proposed rulemaking will probably be issued this Summer, with a final rule scheduled for later in 1981. It will undoubtedly call for a lower exposure limit than the current 2 fibers per cc.

In reviewing EPA activity, he noted that asbestos was the first substance to be regulated under the Toxic Substances Control Act (TSCA), and that this statute had more teeth than any other statute regulating industry. It was noted that EPA is considering several control options, but that his information indicated that EPA may avoid regulating individual products, and may more likely restrict the quantity of asbestos which may be mined or imported.

In Mr. Pigg's review of the regulations to be effective November 19, 1980, under the Resource Conservation and Recovery Act (RCRA), he particularly commented on the definitions of hazardous waste. He noted that asbestos was not listed as a hazardous waste in the proposal of December 1978, but that it was listed in the regulations published on May 19, 1980. Mr. Pigg indicated that the substances listed as toxic wastes are "commercial chemical products or manufacturing intermediates." He stated that the Office of Solid Waste (OSW) interprets this to include asbestos only as a "pure" material, and that this would not include manufacturing process waste that contains asbestos.

Mr. Pigg mentioned other actions now under study or planned by either the Congress or various State legislatures. These included such areas as compensation, asbestos in the schools, labelling and the like. And Mr. Pigg noted the on-going response that his Association has made to Federal and State initiatives in the asbestos area.

Mr. Pigg was questioned on the interpretation that only "pure" asbestos would be considered a hazardous waste in line with the regulations issued on May 19, 1980. Mr. Pigg cited statements by officials of the Office of Solid Waste (OSW), and in particular the "Comment" in Federal Register notice of May 19, 1980, Page 33,124, ~~Paragraph~~ Section 261.33. The wording reads:

> The phrase "commercial chemical product or manufacturing chemical intermediate having the generic name listed in.." refers to a chemical substance which is manufactured or formulated for commercial or manufacturing use. It does not refer to a material, such as a ~~manufacturing~~ process waste, that contains substances listed in.."

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In the discussion that followed Mr. Pigg's talk, he noted that the Asbestos Information Association would be holding their Annual Industry-Government Conference again this September, and that Institute Members would be invited. Mr. Pigg advised that the Hart Bill on Asbestos Compensation was introduced on June 18, 1980. This pertains to the sharing of the liability for asbestos related disabilities by the "responsible parties." This has just been introduced, and it is felt that it has little chance of being enacted in its current form during this session.

One Member mentioned that in some mining applications where asbestos friction materials had been replaced with metallic materials, there was a reaction against the metallics because of sparks and attendant explosion danger.

On another subject, one Member stated that his Company was now labelling all friction products with the asbestos warning label whether additional machining or handling was likely or not. In response to a question, the Secretary advised that he would have copies of Mr. Pigg's comments out to the Membership "soon." (The copies were sent to the Membership on June 30, 1980).

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

RESOLVED: To thank Mr. Pigg for his detailed and interesting summary on the current status and future prospects of legislative and regulatory actions affecting the asbestos industry.

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 ~~individual~~ irrevocable trust for Miss Duschek's pension.

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

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

BUDGET COMMITTEE REPORT

Mr. Francis E. Messier, Chairman of the Budget Committee, presented this report. Please refer to EXHIBIT 5.

Mr. Messier's report presented an Expense Budget for 1980-81 of $95,470, a slight reduction in budgeted expenses under that for 1979-80. This was due to the fact that pension payments to Miss Duschek would be paid from

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Legal Counsel advised that at the Board of Directors meeting on June 24, 1980, the Board had approved his recommendation for indemnification of Officers and Directors, for losses suffered by them because of acts done in their capacities as Officers and Directors. The actions must have been made in good faith.

As such indemnification can be adopted by a change in the By-Laws, it must be submitted to the Membership for balloting. It is not felt that there is sufficient pre-notification to the Members to ballot at this Meeting, so the indemnification plan will be submitted to the Membership by mail ballot.

OTHER BUSINESS

Questions were raised about non-member manufacturers of friction materials. One mentioned was Canparts, in Cambridge, Ontario, Canada. The Secretary was advised that they were now in production of friction materials, in particular disc brake pads. A Member showed a listing where FMSI Numbers were used by Canparts. The Secretary was advised to contact Canparts concerning Membership. Another Member questioned Virginia Friction Products of Tappahannock, Virginia. The Secretary stated that he has written several times to Mr. Bill Carreras of Virginia Friction Products and to Mr. Joe Goodreau of Midco, who purchases materials from Mr. Carreras. He has had no reply. Also, the Secretary indicated that he had no catalogs, listings or other information on Virginia Friction Products showing that they were using the Institute's copyrights or trademarks. The members were asked that if anyone has literature showing Virginia Friction Products use of the Institute's copyrights or trademarks that they send such information to the Office.

Questions were asked as to what constituted infringement of the Institute's copyrights and trademarks. This subject was addressed by the Institute's copyright attorneys, Shenier & O'Connor, in 1975. Mr. Gorman had not received a copy of this report from Shenier & O'Connor, and the Secretary will send on a copy. Use of the Institute's catalogs. bulletins, or sheets therefrom is an obvious infringement. Use of the Institute's FMSI and FMS is a violation of the trademarks. Condensation is an infringement. The listing showed for Canparts is obvious infringment.

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

RESOLVED: To adjourn

Adjourned at 9:50 A.M.

E. W. Drislane
Secretary