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

# MINUTES OF ANNUAL MEETING

of the

# FRICTION MATERIALS STANDARDS INSTITUTE, INC.

Wednesday and Thursday, June 27 and 28, 1973, 8:30 A. M.
at
Lodge at Vail, Vail, Colorado

| MEMBERS PRESENT | REPRESENTATIVES |
|---|---|
| Abex Corporation | R. Cutler |
| Auto Friction Corporation | Stuart Comins |
| Bendix Corporation Friction Materials Division | F. E. Messier |
| Brassbestos Manufacturing Corporation | W. Simon |
| Carlisle Corporation Molded Materials Division | E. R. Zacharias |
| Gatke Corporation | F. T. Gatke |
| General Motors Corporation Delco-Moraine Division | R. J. Kick |
| Maremont Corporation Grizzly Brake Division | J. W. Greenen |
| Molded Industrial Friction Corporation | M. I. Frazier |
| Raybestos-Manhattan, Inc. | D. E. Gow |
| Royal Industries Brake Products | D. Ogilvie |
| Scandura, Inc. (Cantex) | D. Easveld |
| Standco, Inc. | J. S. Allen |
| S. K. Wellman Corp. | J. E. Clegg |
| Wheeling Brake Block Manufacturing Co. | L. Burgess |
| World Bestos Company, Division of the Firestone Tire & Rubber Company | C. Weber |

| OTHERS PRESENT | |
|---|---|
| Abex Corporation | R. E. Nelson |
| Auto Friction Corporation | N. Comins |
| Gatke Corporation | H. Boyle |
| General Motors Corporation Delco-Moraine Division | R. E. Kettering |
| Maremont Corporation Grizzly Brake Division | D. Carlson |
| | F. Skelton |
| | A. Laus |
| Molded Industrial Friction Corp. | B. Ozmore |
| Raybestos-Manhattan, Inc. | R. R. Moalli |
| Royal Industries Brake Products | W. M. Sleeth |
| | C. Newell |
| S. K. Wellman Corporation | G. A. Carrigan |
| Wheeling Brake Block Manufacturing Co. | G. Stratton |
| World Bestos Company, Division of the Firestone Tire & Rubber Company | R. J. Alleman |
| Friction Materials Standards Institute | E. W. Drislane |
| Stickles, Kennedy & Van Steenburgh | L. D. Stickles |

FMSI 00003

NOT PRESENT

Auto Specialties Manufacturing Co.
Chrysler Corporation - Chemical Division
Forcee Manufacturing Corporation
Lasco Brake Products Corp., Ltd.
H. K. Porter Co., Inc.
Reddaway Manufacturing Co., Inc.
Thiokol Chemical Corporation

Mr. Greenen, President, acting as Chairman, called the Meeting to order at 8:30 A.M.

MINUTES OF PREVIOUS MEETING

The Minutes of the Meeting held June 28 and 29, 1972 had been distributed. No reading was requested nor were any corrections made thereto.

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

RESOLVED: That the minutes of the Meeting held June 28 and 29, 1972 be accepted as distributed.

PRESIDENT'S REPORT

Mr. J. W. Greenen, President, opened the Meeting with a report on the Institute's progress during the past fiscal year. See EXHIBIT 1.

Mr. Greenen covered the highspots of the year's activities including the meetings of the Brake Performance Study Committee, the Data Book & Technical Committee, and the Asbestos Study Committee. In addition, a Special Meeting of the Board of Directors was held in October 1972 concerning the controversial requirement of brake lining certification by the AAMVA. The President commented on several other items in his Report, and in conclusion he mentioned the illness of our Treasurer, Mr. Al Daly.

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

RESOLVED: That the President's Report be accepted as read.

THE TREASURER'S REPORT

In accordance with our Constitution and By-Laws, Mr. J. W. Greenen, President, assumed the responsibilities of Treasurer upon the disability of Mr. Allan Daly. The Secretary read the Treasurer's Report. The following Exhibits make up the Treasurer's Report:

EXHIBIT 3.1 - Balance Sheet Projected to June 30, 1973
EXHIBIT 3.2 - Income Statement for the 1972-73 Fiscal Year.
EXHIBIT 3.3 - Retirement Fund - H. G. Deschek
EXHIBIT 3.4 - 12 year Financial Highlights.

It was noted that the Treasurer's Report was made up during the first week of June 1973, and the June 30, 1973 figures had to be estimated based on anticipated June expenses and the fiscal year-end accruals. In summary, the Financial Statements showed more than $100,000 in savings accounts and time deposits, and over $20,000 in Miss Duschek's Retirement Fund. The Institute operated during the 1972-73 fiscal year with a net income in excess of $18,000. It was noted in the 12 year Summary of Financial Highlights, that an Active Member in 1961-62 with one category had an annual fee of $800. In the same year, a Regional Member paid a total of $1,000. By 1972-73 an Active Member with one category was paying $1,700 in annual dues whereas a Regional Member was paying $1,300. In other words, the Active Member was paying in excess of 100% more in 1972-73 than he was paying in 1961-62. The Regional Member had been increased only 30%, from $1,000 to $1,300, during the same period of time. There were similar disparities concerning the increase in dues with Regional Associations and Licensees.

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

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

ASBESTOS STUDY COMMITTEE REPORT

Mr. I. H. Weaver, Chairman of the Asbestos Study Committee, was present to deliver a talk to the Membership concerning asbestos problems in the friction materials industry. Mr. Weaver had submitted a written report summarizing his Committee's activities during the 1972-73 fiscal year. Rather than report strictly on the activities of the Committee, Mr. Weaver had been asked to deliver a talk concerning the background and seriousness of the asbestos regulations as they concern the friction materials industry.

Mr. Weaver's Report on the Asbestos Study Committee activities is EXHIBIT 14. In addition, the address that Mr. Weaver gave to the Membership at the June 27 Meeting is shown as EXHIBIT 14.1.

Mr. Weaver discussed some of the background for the OSHA and the EPA regulations. In particular, he pointed out that the OSHA label requirement was considerably less severe than that originally recommended by the OSHA Advisory Committee. Mr. Weaver particularly recommended compliance with the spirit of the OSHA regulations and suggested that if industry does not show a willingness to comply with existing regulations that the consumer activist groups and organized labor may push for even harsher regulations. He also discussed the EPA Emissions Standards which again he found to be reasonable and attainable. Mr. Weaver closed his discussion indicating that the Asbestos Study Committee would continue to keep on top of the regulations emanating from Washington.

Mr. Weaver answered some questions at the end of his talk. One question had to deal with the accuracy of the membrane filter method for measuring concentrations of airborne asbestos fiber. Mr. Weaver replied that it is very difficult to get accuracy into this method. It takes considerable training, and even with the training different operators will have different readings. While he indicated that there are definite problems with the membrane filter method as regards enforcement purposes, it is a tool for the manufacturer to use in monitoring his work areas. Mr. Weaver mentioned that the Germans have been working with a gravimetric system. A problem is the fact that all airborne materials in a friction materials factory are not necessarily asbestos, and that the gravimetric system does not distinguish between asbestos and other materials. Mr. Weaver felt that any new system to replace the membrane filter method is far off in the future.

A Member asked concerning the EPA emissions requirements where they are in effect legislating dry collectors over wet collectors. The question was "Why." Mr. Weaver replied that the wet collectors require very high horsepower to reduce the visible emissions to zero. In essence, it is very difficult to get "no visible emissions" with a wet collector.

Another question concerned clothing and the OSHA regulations. It was pointed out that several manufacturers use an outside cleaning service for the clothing that is worn in the work area. Mr. Weaver emphasized that the manufacturer should specifically notify the people doing the cleaning that this clothing is used in an asbestos handling work area.

Another question had to do with the recommendation that Mr. Weaver made that all boxes or cartons containing friction materials have the OSHA label imprinted thereon. In this case, the question concerned a drilled taper ground brake lining set ready for installation on shoes. Did this require the OSHA label, since it was most likely that there would be no subsequent drilling, cutting, or grinding to put asbestos dust into the atmosphere? Mr. Weaver suggested that there is always the possibility of additional cutting, drilling, or grinding and that he felt the OSHA label should be used here also. His point is that in these subsequent operations the asbestos can be raised to levels above the 5 fiber per cc limit in the OSHA standards. This will be even more of a problem when the standards drop to 2 fibers per cc. Mr. Weaver felt the OSHA regulations indicate that if there may be subsequent operations, the label should be used.

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

RESOLVED: To accept the Report of the Asbestos Study Committee as presented.

## MEMBERSHIP COMMITTEE REPORT

Mr. Frank T. Gatke reported on the activities of the Membership Committee during the 1972-73 fiscal year. See EXHIBIT 2.

In summary, Mr. Gatke's Report showed the following changes in Membership in the Institute:

| | July 1, 1972 | June 30, 1973 | Change |
|---|---|---|---|
| Active Members | 25 | 23 | (2) |
| Regional Members | 10 | 11 | 1 |
| Licensees | 8 | 8 | -- |

In Mr. Gatke's Report it was indicated that we lost Silver Line Products, Inc. and the Johns-Manville Corporation. At the conclusion of Mr. Gatke's Report, the Secretary advised that Auto Specialties Corporation of St. Joseph, Michigan was also terminating its membership.

The Secretary was directed to contact Cali-Blok and Scan Pac, Inc. relative to their applying for membership. There were several comments made concerning some South American manufacturers whom it is believed are using the FMSI Numbers on products exported to the United States. Among those mentioned was Pasta Clutch, S.A. (Mexico), Francisco Stedile S.A. (Brazil), and Manufacturas Multiples, S.A. (Venezuela). It was recommended that the Secretary determine if these manufacturers are using the copyrighted FMSI Numbers.

Upon motion duly made, seconded and unanimously approved, it was

RESOLVED: That the Report of the Membership Committee be accepted as read.

INVESTMENT ADVISORY COMMITTEE

Mr. W. Simon, Chairman of the Investment Advisory Committee, submitted the Report for his Committee. See EXHIBIT 4.

In summary, the Chairman pointed out that the Institute has transferred a considerable amount of its savings bank money to time deposits at higher interest rates.

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

RESOLVED: To accept the Report of the Investment Advisory Committee as read.

THE BUDGET COMMITTEE REPORT

Mr. Carl Weber, Chairman of the Budget Committee, presented his Report with the Proposed Budget for 1973-74. See EXHIBIT 5.

In summary, the Proposed Budget for 1973-74 calls for total expenses of $74,130 vs. the 1972-73 budgeted expenses of $73,795. This is an increase amounting to less than 1%. The major item in the Budget is salaries and the budget indicates a slight increase over that actually spent in the 1972-73 fiscal year. The only item which is a significant departure from the prior year's Budget is the amount of $3,500 in the Pending Project category. This figure is for a pension and insurance program which it is planned will start early in the 1973-74 fiscal year.

Upon motion duly made, seconded, and unanimously approved, it was

RESOLVED: To accept the Budget Committee Report as read.

FEE FORMULA COMMITTEE REPORT

Mr. Andre Laus, Chairman of the Fee Formula Committee, reported on the activities of his Committee. See EXHIBIT 6.

The Fee Formula Committee is recommending that the formula for the 1973-74 fiscal year be the same as that used for the 1972-73 fiscal year. This fee formula gives the following:

| | | |
|---|---|---|
| Active Members | - Basic Fee | - $1,050 |
| | Category Fee | 650 |
| Regional Members | - Associations | - $2,200 |
| | Individual Firms | - 1,300 |

Regional Members (U.S. copyright) - Same as Active Member -- category determined as categories exported to U.S. using FMSI copyright.

| | | |
|---|---|---|
| Licensees | - | - $500 |

Mr. Laus reported that the fees for Active Members have increased over the last 10 years at a significantly greater rate than the fees for the Regional Members.

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

RESOLVED: That the Report of the Fee Formula Committee be accepted as read.

LEGISLATIVE ACTIVITY COMMITTEE REPORT

Mr. Norman Comins, Chairman of the Legislative Activity Committee, reported on his Committee's work during 1972-73. See EXHIBIT 7.

Essentially, the Report stated that there was no legislation affecting the brake lining industry during the 1972-73 fiscal year. Mr. Comins inquired specifically of Minnesota and California as to their plans for any brake lining legislation. Mr. Nelson asked Mr. Comins to provide him with the exact wording of the Minnesota bills, if available.

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

RESOLVED: That the Report of the Legislative Activity Committee be accepted as read.

PUBLIC RELATIONS COMMITTEE REPORT

Mr. William Simon, Chairman of the Public Relations Committee, reported on the highlights of his Committee's activities for the 1972-73 fiscal year. See EXHIBIT 8.

Upon motion duly made, seconded, and unanimously approved, it was

RESOLVED: To accept the Report of the Public Relations Committee as read.

THE INSTITUTE DEVELOPMENT COMMITTEE REPORT

The Secretary read Mr. J. H. Kelly's Report on the activities of the Institute Development Committee. See EXHIBIT 9.

This Report highlighted the year's activities with information on the Committee's recommendations on brake parts manufacturers, the dinner for Mr. McGovern, publication of the FMSI NEWS, and publication of the AUTOMOTIVE BRAKE DIAGNOSTICS Catalog.

Upon motion duly made, seconded, and unanimously approved, it was

RESOLVED: That the Report of the Institute Development Committee be accepted as read.

THE INSTITUTE HISTORICAL SALES PROGRAM

A brief report was included for the Membership concerning the Institute's Historical Sales Reporting Program. See EXHIBIT 10.

Members indicated that the historical sales figures seemed more reliable from the last report. The President emphasized the confidential nature of the reporting in that no one other than the certified public accountants see the actual data sent in by the Members. A Member questioned whether it might not get better response if the data sent in did not indicate the reporting Member. It was indicated that it would be possible to set up a procedure along these lines but it is felt, for interpretation purposes, that it is best to know who is reporting. Mr. Kettering commented that manufacturers have been reporting in a similar fashion on brake fluid for over 20 years. There is a relatively high percentage of the manufacturers reporting and they have had no difficulty with the program.

THE HYDRAULIC BRAKE PARTS SECTION

The President felt that this subject was important enough that a brief report should be put out concerning brake parts manufacturers and the Institute. See EXHIBIT 11.

This Report mentioned the formation of a Brake Parts Manufacturers Council under the auspices of MEMA. It also mentioned the Historical Sales Program run by MEMA. The Report covered the Institute's decision not to alter their Constitution and By-Laws to permit membership in the Institute by brake parts manufacturers. Messrs. Nelson and Cutler, of Abex Corporation, had indicated that it would be desirable for the Institute to cooperate with MEMA in any historical sales reporting.

The Board, at its Meeting on June 26, 1973, expressed their willingness to cooperate with any other trade association where there might be mutual benefits derived from such cooperation. Any formal program as regards brake parts manufacturers is not planned.

THE DATA BOOK & TECHNICAL COMMITTEE REPORT

Mr. Ron Moalli, Chairman of the Data Book & Technical Committee, reported on his Committee's activities during the past year. See EXHIBIT 12.

Among the highlights of the year's activities were the work done on the consolidation program, additional foreign car coverage in our BRAKE SHOE IDENTIFICATION CATALOG, shoe assignments for shoes taking the 4000 Series Blocks, changes in drilling patterns for disc brake shoes and a common numbering system for European brake lining.

The European numbering system was covered at the Board Meeting on June 26 and the Institute indicated that it would be happy to assign FMSI Numbers to the various European linings as we receive the necessary prints and application data. We have no other suggestion for a common numbering system for the European market.

A Member questioned the assignment of shoes for the 4000 Series Blocks. Mr. Moalli replied that the procedure here would be to assign the first heavy shoe A-1, the next A-2, etc. A popular block such as FMS #4515 would take one of these shoes (for example the A-12 shoe). There would be no discontinuance of the 4000 Series Numbers, just additional information as to what the proper shoe is to go with the 4515 block.

A Member questioned whether consolidation was planned for disc brake linings and the Chairman replied that the current work was only for drum brake passenger car linings. Mr. Moalli indicated that with the sheets prepared for the consolidation, that a manufacturer might not even need a blueprint for all the sizes. He would plan on publishing about 200 pages which should cover all sizes. It was indicated that the consolidation program should be complete through Phase 3 sometime during the coming fiscal year.

Upon motion duly made, seconded, and unanimously pased, it was

RESOLVED: To accept the Report of the Data Book & Technical Committee as read.

BOARD OF DIRECTORS REPORT

The Secretary reported on the resolutions passed by the Board of Directors at the June 26, 1973 meeting. The Secretary reported that during the 1972-73 fiscal year, the following resolutions were passed:

1. Acceptance of the proposed budget of $73,795 for the fiscal year starting July 1, 1972 as adopted by the Membership.

2. Acceptance of the fee formula for the fiscal year starting July 1, 1972 as proposed by the outgoing Board and adopted by the Membership.

3. Ratified all acts of the officers, staff and committees for the year ended June 30, 1972.

4. Opposition to the AAMVA certification requirements for brake lining.

5. That the Constitution and By-Laws will not be changed to permit membership by "brake parts" manufacturers.

In addition, the Board of Directors recommended to the Membership acceptance of Lonaflex S.A. (Brazil) as a Regional Member.

The Board of Directors accepted resignations of the following Active Members: Johns-Manville Corporation, Auto Specialties Manufacturing Co. and Silver Line Products, Inc. The Directors resolved that Cantex Corporation was not currently manufacturing friction materials and therefore could not act as a successor member to Scandura, Inc.

THE NOMINATING COMMITTEE REPORT

Mr. Simon, Chairman, reported that there were three Board of Directors terms which were expiring this year: Mr. Simon, Brassbestos Corporation, Mr. Weber, World Bestos Company, and Mr. Gow, Raybestos-Manhattan, Inc. The Chairman reported that his Committee, after due consideration and in accordance with the requirements of the Institute's Constitution, presented the following candidates for election to the Board of Directors:

| | |
|---|---|
| For a two-year term: | Mr. D. E. Gow, Raybestos-Manhattan, Inc. |
| | Mr. R. Cutler, Abex Corporation, American Brake Block Division |
| | Mr. W. Simon, Brassbestos Corporation |

In answer to a question from the floor, it was announced that the following are the Directors whose terms will be expiring as of June 30, 1974:

| | |
|---|---|
| Mr. J. W. Greenen, | Maremont Corporation, Grizzly Brake Division |
| Mr. F. W. Gatke, | Gatke Corporation |
| Mr. F.L. Messier, | Bendix Corporation, Friction Materials Division |
| Mr. E.R. Zacharias, | Carlisle Corporation Molded Materials Division |

Other nominations were called for but none were made.

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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 the three nominees to the Board of Directors. The Secretary advised that the ballots had been cast. Mr. Simon advised that with the election of these candidates, and the four Directors whose terms have not expired, the Board now consists of the required seven Members.

BRAKE PERFORMANCE STUDY COMMITTEE REPORT

Mr. R. E. Nelson, Chairman of the Brake Performance Study Committee, delivered his Report on the activities of the Committee during the 1972-73 year. See EXHIBIT 13.

Upon the completion of Mr. Nelson's presentation, questions were asked concerning Docket 1-4 and, in particular, the requirement that an inertia dynamometer be used to evaluate replacement brake linings. To give some background, Mr. Nelson explained that the development of a test procedure has been made the responsibility of the Safety Systems Laboratory. The Safety Systems Laboratory is a research arm of the NHTSA. Mr. Bob Forthofer and Mr. John Preston, of the Safety Systems Laboratory, were formerly with the National Bureau of Standards. They have laboratory facilities for various friction test machines and dynamometers as well as instrumentation for automobiles. Based on tests that they have run, they have convinced themselves that the Friction Test Machine will not correlate with the vehicle test. As it is their intention to pattern the replacement lining standard on the FMVSS 105a, a brake systems standard, it is conceivable that they may wish to match performance with every original equipment lining on every original equipment loading. This would make for a galaxy of tests. To make such a program practical, even with the lack of inertia dynamometer capacity, there would have to be some grouping of loadings.

Mr. Forthofer has said that they are working on the design of a "minimum machine" which, in government language, means something like $50-75,000. In answer to a question, Mr. Nelson said that Docket 1-4 currently is aiming at coverage of hydraulic brakes covered by FMVSS 105a and not on brake blocks. Further, he indicated that the coverage would be for the 1976 models which start in production on or after September 1, 1975. The NHTSA have been considering earlier cars, such as the 1968-75 models, but coverage is not known at this time.

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

RESOLVED: To accept the Report of the Brake Performance Study Committee as read.

THE ANNUAL MEETING COMMITTEE REPORT

The session on June 28 started with the Report by the Chairman of the Annual Meeting Committee, Mr. F. E. Messier.

Some discussions took place concerning the Annual Meeting and the Report was postponed until some late arriving Members were present. Mr. Messier's Report indicated that the Meeting would once again be held at the Lodge at Vail, Vail, Colorado unless exceptions were taken to that recommendation. Mr. Nelson advised that June 17 through the 24, 1974 was definitely Fleet Week and that the Institute should not have its meeting conflict with Fleet Week. As there had been objections raised to returning to Vail, based primarily on the distance to the airport, suggestions were made to return to the Doral in Florida (near Miami Airport), to a Sheraton resort at Reston, Virginia (near Dulles Airport), or to one of the resorts at Hilton Head, South Carolina (near the Savannah Airport). A motion to accept the Report of Mr. Messier was made but not seconded. A Member requested a floor vote on the preference to return to Vail or not to return to Vail. A show of hands indicated a preference not to return to Vail. Suggestions were made from the floor to go to Hilton Head, assuming reservations can be made. Assuming reservations cannot be made at Hilton Head, it was suggested the Institute Meeting again be held at Vail, Colorado in 1974. Personnel at the Lodge at Vail were contacted and they indicated that dates were open in June 1974.

Upon motion duly made, seconded and passed, it was

> RESOLVED: That the June 1974 Annual Meeting of the Institute be held in the Hilton Head, South Carolina area, assuming reservations can be made.

Mr. Messier and Mr. Kettering were charged with selecting the names of places to contact at Hilton Head to determine whether our Meeting could be held there. On a suggestion from the floor, either the Chairman of the Committee or the Executive Director were instructed to actually visit the facilities and check them out before a commitment is made. Two criteria that stand out are (1) convenience to airport, and (2) location and condition of the golf course.

Additional suggestions were made from the floor to change the general structure of the Annual Meeting. A recommendation was made that the next Annual Meeting be opened to the wives of Members and that the Institute recommend inviting the wives. Objections were raised from other Members stating that they liked the Annual Meeting format the way it is now. If Members wish to bring their wives they, of course, may do so, but the Institute does not encourage this. A motion was made and seconded to have the format changed to invite the wives but it was not carried.

The next suggestion came from the floor: "Why is the meeting on a Tuesday-Wednesday-Thursday?" It was stated that one reason for this schedule is to allow the Board of Directors and the Committee Chairmen who must appear at the Board Meeting travel time. For example, if the Board Meeting were held on Monday, these Members would have to travel on Sunday. It was explained that there was no hard and fast rule requiring a Tuesday-Wednesday-Thursday Meeting and if the Members wished to change to a Monday-Tuesday-Wednesday Meeting or a Wednesday-Thursday-Friday Meeting it could be done by a vote of the Members. A motion was made to change the dates to a Monday-Tuesday-Wednesday Meeting, but this motion was never seconded.

Upon motion made, seconded and unanimously passed, it was

RESOLVED: To accept the Report of the Annual Meeting Committee as read with the exception that the Membership has selected Hilton Head as the first choice.

INTRODUCTION OF NEW OFFICERS

Officers for the 1973-74 fiscal year were selected at the Board Meeting held on Wednesday, June 27, 1973. Mr. J. W. Greenen, the President whose term expires on June 30, 1973, introduced the new Officers:

Mr. Frank Gatke - President
Mr. William Simon - Vice President
Mr. Andre Laus - Treasurer
Mr. Edward Drislane - Secretary

Mr. Gatke, the new President, addressed the Membership and indicated his appreciation at having been elected as President and assured the Membership that he would keep the Institute moving forward as it has over the past many years.

* * * * *

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

RESOLVED: To adjourn.

The Meeting was adjourned at 10:10 A.M.

E. W. Drislane
Secretary

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

August 14, 1973

TO: BOARD OF DIRECTORS

SUBJECT: MINUTES OF BOARD OF DIRECTORS MEETINGS JUNE 1973

Enclosed are the Minutes of the two Board of Directors Meetings held at Vail, Colorado in June 1973. These have been approved for release by your President and Legal Counsel. The Meetings were:

Board of Directors - June 26, 1973
Board of Directors (new)- June 27, 1973

In the Minutes of the Board of Directors Meeting on Tuesday, June 26, 1973, reference is made to EXHIBITS 1 to 15. These are the following:

1. President's Report
2. Membership Committee Report
3. Treasurer's Report
   - 3.1 Balance Sheet - Projected to June 30, 1973
   - 3.2 Income Statement - Projected for the 1972-73 fiscal year
   - 3.3 Retirement Fund for H.G. Duschek
   - 3.4 Twelve Year Financial Highlights
4. Investment Advisory Committee Report
5. Budget Committee Report
6. Fee Formula Committee Report
7. Legislative Activity Committee Report
8. Public Relations Committee Report
9. Institute Development Committee Report
10. Historical Sales Program
11. Hydraulic Parts Manufacturing
12. Data Book & Technical Committee Report
    - 12.1 Imported Cars - Cataloging
13. Brake Performance Study Committee Report
14. Asbestos Study Committee Report
    - 14.1 Address by I. Weaver to Membership
15. Annual Meeting Committee Report

As these reports were enclosed with the Minutes of the Annual Membership Meeting, we are not enclosing additional copies with these Minutes. If you wish an additional copy of EXHIBITS 1 to 15, please advise.

EWD:llz
cc: Mr. C. J. Weber
Mr. L. D. Stickles, Legal Counsel

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

MINUTES OF MEETING

of the

BOARD OF DIRECTORS

Tuesday, June 26, 1973, at 9:00 A.M.

at

Lodge at Vail, Vail, Colorado

DIRECTORS PRESENT

| | |
|---|---|
| J. Greenen, President | Maremont Corporation |
| F. Messier | Bendix Corporation |
| W. Simon | Brassbestos Manufacturing Corp. |
| F. Gatke, Vice President | Gatke Corporation |
| C. Weber | World Bestos Company |
| D. Gow | Raybestos-Manhattan, Inc. |
| E. Zacharias | Carlisle Corporation |

OFFICERS PRESENT

| | |
|---|---|
| E. Drislane, Secretary | Friction Materials Standards Institute, Inc. |
| L. Stickles, Attorney | Stickles, Kennedy &Van Steenburgh |

COMMITTEE CHAIRMEN PRESENT

| | |
|---|---|
| R. Moalli (Data Book) | Raybestos-Manhattan, Inc. |
| R. Nelson (Brake Performance) | Abex Corporation |

Mr. J. Greenen, President, acting as Chairman, called the Meeting to order at 9:00 A.M.

MINUTES OF PREVIOUS MEETING

The Minutes of the Meeting held October 26, 1972 had been distributed. No reading was requested nor were any corrections made thereto. Upon motion duly made, seconded and unanimously passed, it was

RESOLVED: That the Minutes of the Meeting held October 26, 1972 be accepted as distributed.

PRESIDENT'S REPORT

Mr. J. W. Greenen, President, opened the meeting with a report on the Institute's progress during the past fiscal year. See EXHIBIT 1.

Mr. Greenen covered the high spots of the year's activities including the meetings of the Brake Performance Study Committee, the Data Book & Technical Committee, and the Asbestos Study Committee. In addition, a Special Meeting of the Board of Directors was held in October 1972 concerning the controversial requirement of brake lining certification by the AAMVA.

The President commented on the formation of the new Quality Control Subcommittee, reinvestment of our Institute funds, publication of Automotive Brake Diagnostics and the Dinner honoring Mr. J. L. McGovern, Jr. In Mr. Greenen's conclusion he mentioned the illness of our Treasurer, Mr. Al Daly.

Upon completion of the President's Report, upon motion duly made, seconded and unanimously passed, it was

RESOLVED: That the President's Report be accepted as read.

THE MEMBERSHIP COMMITTEE REPORT

Mr. Frank T. Gatke reported on the activities of the Membership Committee during the 1972-73 fiscal year. See EXHIBIT 2.

In summary, Mr. Gatke's Report showed the following changes in membership in the Institute:

| | July 1, 1972 | June 30, 1973 | Change |
|---|---|---|---|
| Active Members | 25 | 23 | (2) |
| Regional Members | 10 | 11 | 1 |
| Licensees | 8 | 8 | - |

In this Report it was indicated that we lost Silver Line Products, Inc. and the Johns-Manville Corporation. Both firms are no longer in the brake lining and clutch facing business, although a suggestion was made that Johns-Manville could, if they wished, continue their Membership since they are in production of friction materials for railroads.

At the conclusion of the Report, the Secretary advised that Auto Specialties Co. of St. Joseph, Michigan was also terminating its membership. Auto Specialties was retrenching in the automotive disc brake market and sent a letter of resignation immediately prior to our Annual Meeting. This will change our Active Members down to 22 as of June 30, 1973.

A basic item for consideration is the status of Cantex Corporation. Cantex Corporation is the successor to Scandura, Inc. who pulled out of the Membership on December 31, 1972, at which time Cantex Corporation picked up the dues for the remainder of the year. Cantex right now purchases blocks from one of the Members. However, it is attempting to develop a position in the disc brake lining field. Currently, their linings for this field are coming from Mintex Ltd., Great Britain. To give an idea of the structure of Cantex Corporation and its relationship to Scandura, Mintex Federal Ltd. of Canada, and Mintex Ltd. of Great Britain, the following organization chart is shown:

BBA Group

MINTEX LTD.
(Great Britain)

| SCANDURA, INC. (North Carolina) | MINTEX FEDERAL LTD. (Canada) | CANTEX CORP. (New York) |
|---|---|---|

In discussion, it was pointed out that as of this time, Mintex Federal Ltd. of Canada is not manufacturing friction materials. The disc brake materials they are merchandising are from the British parent. Cantex Corporation is, at this time, nothing more than a warehousing set-up. The Secretary indicated in conversation with Cantex personnel that it was their intention to be manufacturing in Canada shortly. A suggestion was made that if Cantex cannot be an Active Member because it is not manufacturing in the United States, that perhaps Mintex could take on a Regional Membership with U.S. copyright privileges in the same fashion as Rusco de Colombia has. In this case, Rusco de Colombia pays the same dues as an Active Member with the categories determined by the number of categories the Regional Member is exporting to the United States using the FMSI numbering system.

At this point, a question was raised as to what services Regional Members were entitled to. The Secretary replied that Regional Members can order all brake lining, clutch facing and shoe prints in the same fashion that Active Members can. A member pointed out that this was somewhat unfair to the American Members in that European manufacturers do not send prints to any Foreign Members. It was suggested that perhaps conditions have changed and the Institute is giving away too much information. A suggestion was made that a Study Committee be appointed to review our Constitution and By-Laws to see that they are brought into tune with the times. Originally, the Regional Members were groping for existence, and did not have the technical wherewithal to pose much of a problem. At this time, some Regional Members have the capabilities to make a quality product and they are attempting to compete in the U.S. market, based on information provided by the Institute. Except for the one firm which now pays equivalent dues of an Active Member (Rusco De Colombia), all Foreign Members pay considerably less dues than a U.S. Member. It was suggested that if a Study Committee was set up to review the Constitution and By-Laws that they should also review the Institute's method of permitting copyright privileges, the Institute's relationship with European organizations, improved enforcement of the copyright, and suggestions on what the Members can do to assist in this enforcement.

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

RESOLVED: That the Institute would appoint a Study Committee to review the Constitution and By-Laws and make recommendations for changes therein.

Discussion returned to the subject of Cantex Corporation. It was decided that without a change in the Constitution and By-Laws at this time that Cantex Corporation does not meet the eligibility requirements of the Constitution and By-Laws. In other words, Cantex is not now a manufacturer of brake linings and clutch facings and therefore cannot belong to the Institute.

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

RESOLVED: That the Secretary advise Cantex Corporation that due to the manufacturing requirement in our Constitution they are no longer a Member of the Friction Materials Standards Institute.

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

RESOLVED: That the Secretary advise Cantex Corporation that their parent company, Mintex Ltd. of England (or their sister company, Mintex Federal Ltd. of Canada, if manufacturing friction materials in commercial quantities) could apply for Regional Membership with United States copyright privileges.

Next, the Committee discussed the invitation that had been extended to Cali-Blok for Membership. Based on information that the Secretary had received, Mr. Chuck O'Neill, at Cali-Blok, was now manufacturing some of Cali-Blok's brake linings. Up until a year or so ago, Cali-Blok was purchasing their brake lining requirements from other Members. An invitation was extended to Mr. O'Neill concerning Membership in the Institute on March 30, 1973. After this invitation was extended, Mr. O'Neill called the Secretary indicating he was only manufacturing a relatively small percentage of his brake linings. At that time, the Secretary advised Mr. O'Neill that this subject would be discussed at the June Board Meeting. The Secretary was directed by the Board to contact Mr. O'Neill again recommending that he apply for Active Membership in the Institute.

The Secretary had earlier contacted Scan-Pac, who had purchased Johns-Manville brake lining and clutch facing machinery, and who had indicated that they would soon be in production. The Secretary was directed to follow up with Scan-Pac as concerns their Membership.

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

RESOLVED: That the Report of the Membership Committee be accepted.

THE TREASURER'S REPORT

In accordance with our Constitution and By-Laws, Mr. J. W. Greenen, President, assumed the responsibilities of Treasurer upon the disability of Mr. Allan Daly, Treasurer. The Secretary read the Treasurer's Report. The following Exhibits make up the Treasurer's Report:

EXHIBIT 3.1 - Balance Sheet projected to June 30, 1973
EXHIBIT 3.2 - Income Statement for the 1972-73 fiscal year.
EXHIBIT 3.3 - Retirement Fund - H. G. Duschek
EXHIBIT 3.4 - Twelve Year Financial Highlights

It should be emphasized that the Treasurer's Report was made up during the first week of June 1973 and that final June 30, 1973 figures had to be estimated based on the anticipated June 1973 expenses and the fiscal year-end accruals.

In summary, the Financial Statements showed more than $100,000 in Savings Accounts and Time Deposits, and over $20,000 in Miss Duschek's Pension Fund. The Institute operated over the 1972-73 fiscal year with a Net Income in excess of $18,000. At this point, a question was raised concerning the Capital and Surplus figure which shows approximately $120,000. A Board Member questioned Legal Counsel as regards how large a surplus the Institute could reach without endangering its non-taxable position. Counsel indicated that the Capital and Surplus figure could be up to 2-3 times the overall Annual Budget before there would be any difficulty. As last year's Annual Budget ran about $74,000 and we project a Capital and Surplus of approximately $120,000 our ratio is not yet two times the Annual Budget.

The Board Members then reviewed the 12 year Summary of Financial Highlights and noted particularly that an Active Member in 1961-62, with one category, had an annual fee of $800. In the same year, a Regional Member paid a total of $1,000. By 1972-73, an Active Member with one category was paying $1,700 in annual dues, whereas a Regional Member was paying $1,300. In other words, the Active Member was paying in excess of 100% more in 1972-73 than he was paying in 1961-62. The Regional Member had been increased only 30% from $1,000 to $1,300 during the same period of time. While the Regional Members had a relatively modest increase in dues, the Licensee dues had increased 60% from $300 to $500. The Committee that is appointed to study our Constitution and By-Laws will also be instructed to look at the fee structure to see that it is equitable.

Based on the excess of Income over Expenses for the 1972-73 fiscal year, and in order to give the Members better service, and reduce the Institute's billing costs, the President suggested that all prints be provided to each Active Member automatically with the introduction of each new Bulletin. Further, it was suggested that prints be provided only in the category which the member is paying dues on. The Secretary was directed to provide prints of new releases to the Active Members on a No-Charge basis for the categories which the Members report.

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

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

INVESTMENT ADVISORY COMMITTEE

Mr. W. Simon, Chairman of the Investment Advisory Committee, submitted his Report. See EXHIBIT 4.

In essence, the Chairman pointed out that we have transferred a considerable amount of our money that was deposited at 5% in Savings Banks to Time Deposits which earn 6%. He pointed out that as of May 31, 1973 over $66,000 was invested in Time Deposits.

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

RESOLVED: To accept the Report of the Investment Advisory Committee as read.

BUDGET COMMITTEE REPORT

Mr. Carl Weber, Chairman of the Budget Committee, presented the Proposed Budget for 1973-74. See EXHIBIT 5.

In summary, the Proposed Budget for 1973-74 calls for total expenses of $74,130 vs. the budgeted figure for 1972-73 of $73,795. This is an increase amounting to less than 1%. The major item in the Budget is Salaries. We were well under Budget in 1972-73, and this figure represents a slight decrease under the 1972-73 budgeted figure. There is nothing else that is a significant departure from the prior year's Budget except that there is a Pending Project Category for $3,500. This figure is for a Pension and Insurance Program which it is planned will start early in the 1973-74 fiscal year.

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

RESOLVED: To accept the Budget Committee Report as read.

THE FEE FORMULA COMMITTEE REPORT

Mr. J. W. Greenen, President, read this Report in the absence of the Chairman, Mr. Andre Laus. See EXHIBIT 6. Essentially, the Fee Formula Committee is recommending that the formula for the 1973-74 fiscal year be the same as that used for the 1972-73 fiscal year. This fee formula gives the following:

| | | |
|---|---|---|
| Active Members | - Basic Fee | $1,050 |
| | Category Fee | 650 |
| Regional Members | - Associations | 2,200 |
| | Individual Firms | 1,300 |

Regional Members (U.S. Copyrigh)- Same as Active Member Categories determined as categories exported to U.S. using FMSI copyright

| | | |
|---|---|---|
| Licensees | - | 500 |

In Mr. Laus' Report, he mentioned the fact that the fees for Active Members have increased over the last ten years at a significantly greater rate than the fees for Regional Members. The Committee that was formed to review our Constitution and By-Laws will be given the assignment of reviewing the fee structure. A Board Member recommended that the Secretary review the Declaration of Categories to check for its reasonableness.

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

RESOLVED: That the Institute Secretary audit the Category Declarations filed by the Active Members.

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

RESOLVED: That the Report of the Fee Formula Committee be accepted as read.

LEGISLATIVE ACTIVITY COMMITTEE REPORT

The Secretary advised that no Report had been received from Mr. Norman Comins, Chairman of the Legislative Activity Committee. At the Annual Membership Meeting on June 27, Mr. Comins did file a Report which, in essence, stated that there was not any activity noted as regards legislation by the various states during the 1972-73 fiscal year. See EXHIBIT 7.

PUBLIC RELATIONS COMMITTEE REPORT

Mr. William Simon, Chairman of the Public Relations Committee, reported on the highlights of his Committee's activities for the 1972-73 fiscal year. Some of the items released to the newspapers were the announcements on last year's Annual Meeting and the Election of Officers, pictures of our new offices in Paramus, and the Board of Directors Dinner honoring Mr. McGovern. See EXHIBIT 8.

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

RESOLVED: To accept the Report of the Public Relations Committee as read.

## INSTITUTE DEVELOPMENT COMMITTEE REPORT

Mr. J. E. Kelly, Chairman of the Institute Development Committee submitted a Report which was read to the Board of Directors by the Secretary. See EXHIBIT 9.

Mr. Kelly highlighted the year's activities with information on the Committee's recommendations on brake parts manufacturers, the Dinner for Mr. McGovern, publication of the FMSI NEWS, and publication of the AUTOMOTIVE BRAKE DIAGNOSTICS Catalog.

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

> RESOLVED: That the Report of the Institute Development Committee be accepted as read.

## THE INSTITUTE HISTORICAL SALES PROGRAM

The President felt it appropriate that a review be made of our Historical Sales Program. The Report showed that 15 members reported for the six months ended June 30, 1972 and that 16 members reported for the 12 months ended December 31, 1972. Actually, this last figure is an improvement of 2, as we lost Johns-Manville for this last Report. The Directors wish to encourage participation by the Membership. See EXHIBIT 10.

A Board Member asked whether there could be a breakdown of who reported in each category. Legal Counsel advised that it is essential that we maintain the confidentiality of the Report. A Board Member suggested that we must assume that any company reporting will report in all the categories in which he is involved. It was stated that it would be best to not alter this Historical Sales Program in any fashion as the last set of results for the 12 months ended December 31, 1972 looked more realistic than any data reported earlier.

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

> RESOLVED: That the Historical Sales Program would be continued for the 1973-74 fiscal year with no changes from the program used in the previous year.

## THE HYDRAULIC BRAKE PARTS SECTION

In October 1972 the Board of Directors resolved that the Constitution and By-Laws would not be changed to accept brake parts manufacturers into the Institute. In January 1973 Messrs. Nelson and Cutler, of Abex Corporation, raised questions as regards the Institute's cooperating with MEMA in their Historical Sales Program. See EXHIBIT 11.

A Board Member stated that the Historical Sales Program has been going on within MEMA since 1971. Any MEMA Member can participate in the Historical Sales Program. The MEMA acts as a Secretary or Home Office for the Brake Parts Manufacturers Council. In other words, one does not have to be a member of HEMA to be in the Brake Parts Manufacturers Council. A question was raised as to whether the Brake Parts Manufacturers Council and the Historical Sales Program might have a 'splintering' effect on the Friction Materials Standards Institute. It was suggested that with these services available, and since they supplement some of the data we provide, perhaps we should cooperate with the HEMA. The Board felt it was not necessary to pass any Resolution concerning the Hydraulic Brake Parts Section as that was done in October of 1972. However, the Board Members expressed their willingness to cooperate with any other trade association where there might be mutual benefits derived from such cooperation.

## DATA BOOK & TECHNICAL COMMITTEE REPORT

Mr. Ron Moalli, Chairman of the Data Book & Technical Committee reported on his Committee's activities during the past year. See EXHIBIT 12.

Among the highlights he discussed were the Consolidation Program, the consideration of a Disc Brake Lining and Shoe Assembly Catalog, additional foreign car coverage in our Brake Shoe Identification Catalog, shoe assignments for shoes taking the 4,000 Series Blocks, changes in drilling patterns for disc brake shoes, and a common numbering system for brake lining in Europe.

As regards the European numbering system, Mr. Moalli pointed out how diverse they are. For example, the German system uses 13 digits. The British system uses an alphabetical code to identify the vehicle on which the lining is installed. (In other words, if the same lining was installed on a Ford and a Volvo, two different number assignments would be used.) As regards the European Numbering System, Mr. Steve Conway had asked for some assistance or suggestions concerning recommendations for a common numbering system acceptable to the entire European market. The basic answer to Mr. Conway's request must be that we would be happy to assign FMSI Numbers as we currently do for foreign cars to the various European linings. However, we would need prints and the cooperation of the European organizations to do this. It was suggested that the European manufacturers file with the Institute data on the vehicle applications and the prints for which they would like assignments. Even though some of the data might not appear in our Data Book or Shoe Catalogs, the numbers themselves could still be assigned. Whether there would be additional cost involved in doing this work cannot be determined until the number of parts is known. The Chairman suggested that Mr. Conway be notified of this decision.

A question arose as to how soon the metric system will have effect on our Catalogs, Bulletins, and other technical information. It was stated that since a considerable amount of our data is now in decimal form, the conversion to the metric system will be quite simple. Conversion will not be made, however, until there is a greater acceptance of the metric system in the United States.

In the presentation in Mr. Moalli's Report, the difficulty with disc brake number assignments with changed drilling patterns was discussed.

For example, a brake lining manufacturer might order the D36 Shoe (the Pinto Disc Brake Shoe) which earlier had 5 holes and now has 6 holes. Without additional information, the shoe supplier might provide the wrong drilling. This problem was faced years ago on the drum brake shoes when it was decided that the drilling pattern on the rim would not change the shoe number. However, there have been so many difficulties with these revised drill patterns on disc brake shoes that perhaps a new policy is called for. Mr. Moalli indicated that this would be studied at the next Data Book & Technical Committee Meeting.

Mr. Moalli read from a newspaper article some statistics on the numbers of imported cars in the United States. The drift of the article was that there are quite a few foreign cars in our market and that the Institute had best start covering these cars. He indicated that with the additional coverage now being shown in the Brake Shoe Identification Catalog we are taking steps in this direction.

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

RESOLVED: To accept the Report of the Data Book & Technical Committee as read.

BRAKE PERFORMANCE STUDY COMMITTEE REPORT

Mr. Bob Nelson, Chairman of the Brake Performance Study Committee, reported on the activities of his Committee for the 1972-73 fiscal year. See EXHIBIT 13.

Mr. Nelson's Report covered the activities of the Committee in chronological sequence. Among the highlights of the year's activities were the AAMVA Certification Program, establishment of a Quality Control Subcommittee, publication of AUTOMOTIVE BRAKE DIAGNOSTICS, discussions on FMVSS 121 (Air Brake Systems), discussions on FMVSS 105a (Hydraulic Brake Systems), Senator Hart's "Auto Repair Quality Act," and of particular concern to the industry, the work being done on Docket 1-4, Brake Shoe and Pad Assemblies.

In addition to these items, Mr. Nelson reported on a meeting held with Mr. Harry Brainerd of the Vehicle Equipment Safety Commission (VESC) in Washington on April 12, 1973. Mr. Drislane and Mr. Nelson met with Mr. Brainerd based on his phone call of March 22. The gist of the meeting was that there had been new Officers elected to VESC and they are concerned that VESC is not getting any revenue from their regulations used for certification tests. Mr. Brainerd wanted to advise FMSI as to what was taking place and ask our cooperation. While the Chairman did not close the door on discussing the matter further, he made no commitments until more details were available. His concern was the fact that industry might again get squeezed between two organizations in their attempts to raise money. VESC is thinking about three possible approaches - instituting their own approval program, attempting to split the fee with AAMVA, or going their own way as they see fit. A very vague program somewhat like the Good Housekeeping Seal of Approval was also discussed but again no comment was made until more details were available. Mr. Brainerd was made aware that the industry was still very tender from the AAMVA Program and understandably not very receptive to another Certification Program with added expenses. Mr. Nelson felt this VESC information was somewhat tender and should not be widely distributed. He indicated that the Committee would keep in touch with VESC should anything develop.

The Board of Directors was particularly interested in Docket 1-4. This has also been called the Replacement Brake Lining Standard although it encompasses lining-shoe assemblies. Based on information Mr. Nelson had received from Mr. Preston and from Mr. Forthofer, of Safety Systems Laboratory of NHTSA, that the Replacement Brake Lining Standard would apply to vehicles manufactured after September 1, 1975. The requirements would be paterned after FMVSS 105a. At the current time, it would appear that Docket 1-4 is headed towards a single-ended Inertia Dynamometer. There is a considerable amount of objection in the industry to the Inertia Dynamometer as a means of doing this test work. Several Members feel the procedure should be on a friction test machine or on the vehicle itself. Considerable concern was expressed on the lack of availability of the Inertia Dynamometers within the industry. Mr. Nelson assured the Board of Directors that the Committee would keep close watch and close contact with Washington concerning Docket 1-4. He also mentioned a planned visit to brake lining manufacturers and distributors with Department of Transportation Personnel in August.

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

RESOLVED: To accept the Report of the Brake Performance Study Committee as read.

THE ASBESTOS STUDY COMMITTEE REPORT

Mr. I. H. Weaver, Chairman of the Asbestos Study Committee, had submitted a Report covering the year's activities, but the Report was not available for distribution at the Board Meeting. See EXHIBIT 14. Mr. Drislane outlined some of the high spots of the Asbestos Study Committee work. Among the items discussed were the OSHA labeling requirements, the EPA Asbestos Emissions Standards, and a proposed seminar on manufacturing operations and the regulatory authorities. Mr. Drislane advised that Mr. Weaver would distribute copies of his Report at the Membership Meeting. However, he did not use these as the text for his talk to the Membership. Instead Mr. Weaver planned to give some background data concerning the OSHA and EPA regulations and their effects on the friction materials industry. Mr. Drislane's summary of Mr. Weaver's Report covered most of the high points of the year's activities.

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

RESOLVED: To accept the Report of the Asbestos Study Committee as read.

## THE ANNUAL MEETING COMMITTEE REPORT

Mr. Fran Messier, Chairman of the Annual Meeting Committee, delivered his Report concerning the Committee's recommendations for the Annual Meeting. See EXHIBIT 15. In summary, the Committee's recommendations were that the Membership return to Vail, Colorado in 1974.

There were some criticisms of this recommendation by Members of the Board of Directors. A specific complaint - similar to the Lake Ozark Meeting - was that the meeting location is too far from the airports. This particular Board Member suggested that the Committee attempt to find locations with better access than Vail, Colorado. Another Board Member expressed the criticism that as in the past several years, good access to the golf course has not been available. A golf course on the property or very close thereto should be a specific requirement for any location for the Annual Meeting.

Additional discussion took place concerning the time for the meeting. Article VII of our Constitution states that the Annual Meeting shall be held each year on the third Wednesday of June. This requirement has not been met for many years and is another item in the Constitution and By-Laws that should be revised. However, to be more practical, the Institute does not wish to conflict with Fleet Week which this year was held during the third week in June. This was the week which the Institute had originally planned to hold its meeting. The Institute's meeting was moved back to the fourth week in June because of the conflict.

Mr. Nelson advises that Fleet Week will be held during the third week in June 1974. This apparently is to be an annual affair and will be in continued conflict with our Meeting. Most Members of the Board recommend that due to this conflict our Meeting be held after Fleet Week rather than before. A Board Member questioned whether the decision to go back to Vail was final. He was advised that this decision would be made by the Membership at the Thursday, June 28 Meeting.

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

> RESOLVED: To accept the Report of the Annual Meeting Committee as read.

## THE INSTITUTE COPYRIGHT

The Secretary brought to the attention of the Board the fact that many copyrights, some of which are dated back to December 1971, had not been received by the Institute Office. The Secretary suggested that he was not receiving satisfactory service as concerns the issuance of copyrights. Counsel indicated that the slow delivery was due to problems at the Copyright Office. The Secretary, in turn, suggested that some of the copyrights he has not received precede some of those which he has received. There were 12 Bulletins which had not been copyrighted as of June 18, 1973. In addition, there were three Catalogs which had not received the Canadian copyright. It was suggested that Counsel make a copy of every copyright application sent to Washington so that the Institute Office would be able to check this off in their records. Counsel stated that this would be practical and he would provide the Office with a copy of every copyright application.

CAPITAL EXPENDITURES

The President presented to the Board suggestions for capital expenditures for the 1973-74 fiscal year as suggested to him by the Secretary. One item was for $1,500 for a wet copying machine with a roll-type feed to replace the sheet-type feed we now have. The problem is that the old copier continually jams up and the service has been unsatisfactory. For this reason, the machine sits idle for many days before it is serviced. In addition, an expenditure in the neighborhood of $800 was recommended for a conference table to replace that now in the Institute Office. The surface of the conference table now in the Institute Office is actually a 7' x 3' solid door which accommodates 6 people at a meeting. In order to make better use of the office in accommodating 10 people at a meeting, a new conference table has been recommended.

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

RESOLVED: That the Institute has authority to spend the necessary funds to purchase a new copying machine and a new conference table.

PENSION PROGRAM

The Board of Directors reviewed the summary type Pension Plan drawn up by Connecticut General Life Insurance. It was stated that the Board would proceed with a Pension Plan but that before it does, Counsel would check into the laws of New Jersey to determine if Mr. Drislane can be Trustee of the Auxiliary Fund. Counsel will also check any possible tax effects of such a Pension Program. Counsel will report back to the Board of Directors at which time the Board will take the appropriate action as regards a Pension Plan.

* * * * * *

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

RESOLVED: To adjourn.

Adjourned at 3:15 P.M.

E. W. Drislane
Secretary

MINUTES OF MEETING

of the

BOARD OF DIRECTORS

Wednesday, June 27, 1973 at 11:10 A.M.

at

Lodge at Vail, Vail, Colorado

PRESENT

| | |
|---|---|
| F. L. Messier | Bendix Corporation, Friction Materials Division |
| W. Simon | Brassbestos Manufacturing Corporation |
| L. R. Zacharias | Carlisle Corporation, Molded Materials Division |
| F. T. Gatke | Gatke Corporation |
| J. W. Greenen | Maremont Corporation Grizzly Brake Division |
| D. E. Gow | Raybestos-Manhattan, Inc. |
| R. Cutler | Abex Corporation, American Brakeblok Division |
| E. W. Drislane, Secretary | F.M.S.I. |
| L. D. Stickles, Counsel | Stickles, Kennedy & Van Steenburgh |

Mr. Greenen opened the meeting at 11:10 A.M.

ELECTION OF OFFICERS

Mr. Greenen called for nominations for the office of President. Mr. Frank T. Gatke's name was presented and seconded for the office of President.

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

RESOLVED: That the nominations for the office of President be closed.

Whereupon the Secretary was instructed to cast one ballot for the election of Mr. Gatke as President. The Secretary advised that the ballot had been cast.

Mr. Gatke assumed the Chairmanship and called for nominations for the office of Vice President. Mr. William Simon was nominated and seconded for the office of Vice President.

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

RESOLVED: That the nominations for the office of Vice President be closed.

Whereupon the Secretary was directed to cast one ballot for the election of Mr. Simon as Vice President. The Secretary advised that the ballot had been cast.

For the office of Treasurer, the name of Mr. Andre A. Laus of Maremont Corporation was nominated and seconded.

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

RESOLVED: That the nominationsfor the office of Treasurer be closed.

Whereupon the Secretary was directed to cast one ballot for the election of Mr. Laus as Treasurer. The Secretary advised that he had cast such ballot.

For the office of Secretary, Mr. Edward W. Drislane was nominated and seconded.

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

RESOLVED: That the nominationsfor the office of Secretary be closed.

Whereupon the Secretary was instructed to cast one ballot for the election of Mr. Edward W. Drislane as Secretary. The Secretary advised that the ballot had been cast.

RETENTION OF COUNSEL

The Chairman advised that according to Article VI of the By-Laws, at each annual meeting legal counsel shall be retained for the ensuing year.

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

RESOLVED: That Mr. Lester D. Stickles of Stickles, Kennedy & Van Steenburgh, Attorneys, be retained as Counsel for the ensuing year.

RETENTION OF AUDITORS

The Chairman, on recommendation of the Secretary, suggested the retention of auditors for the ensuing year.

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

RESOLVED: That Marshall Granger & Co., Certified Public Accountants, be retained as auditors for the ensuing year.

BUDGET - JULY 1, 1973 THROUGH JUNE 30, 1974

The Chairman advised the meeting that the budget, as presented to the Annual Meeting, had been adopted by the Membership.

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

RESOLVED: That the budget of $74,130 for the fiscal year starting July 1, 1973 be accepted.

FEE FORMULA - JULY 1, 1973 to JUNE 30, 1974

The meeting was advised that the outgoing Board had considered the fee formula proposed for the fiscal year starting July 1, 1973 and recommended its acceptance.

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

RESOLVED: To accept the recommendation of the outgoing Board that the annual rate for the Active Members for the fiscal year starting July 1, 1973 be a basic rate of $1,050 and $650 for each category in which engaged; for the individual Regional Member $1,300; for trade groups holding Regional Membership $2,200 and Licensees $500.

STUDY COMMITTEE - CONSTITUTION AND BY-LAWS

The Chairman recommended that a Study Committee be appointed to review provisions of the Constitution as regards rights of the different membership classes, the fee structure, copyright authorization, and the like.

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

RESOLVED: That the necessary committees be authorized to review the Constitution and By-Laws as regards the rights of the different membership classes, the fee structure, copyright authorization, and similar problems

HONOR ALLAN E. DALY - TREASURER 1970-73

The Chairman recommended that the Institute indicate their appreciation to Mr. Allan E. Daly for his contributions to the Institute.

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

RESOLVED: That Mr. Allan E. Daly be honored for his contributions to the Institute by the award of an appropriate plaque.

RATIFICATION OF ACTS OF OFFICERS, COMMITTEES, ETC.

The Chairman advised that he would entertain a motion to approve the actions of the staff, the Committees and the Officers for the year 1972-73.

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

RESOLVED: To approve all actions of the Committees, of the Staff and of the Officers for the fiscal year ending June 30, 1973.

DATE AND LOCATION OF NEXT BOARD MEETING

The Directors felt that the next meeting will probably be held in June 1974, but did not set a definite date should there be reason to call an earlier meeting.

* * * * * *

No further business was brought to the attention of the meeting. Upon motion duly made, seconded and unanimously passed, it was

RESOLVED: To adjourn.

Adjourned at 11:20 A.M.

E. W. Drislane
Secretary

# MINUTES OF ANNUAL MEETING

of the

## FRICTION MATERIALS STANDARDS INSTITUTE, INC.

Wednesday and Thursday, June 28 and 29, 1972, 8:30 A.M.

at

Lodge of the Four Seasons, Lake Ozark, Missouri

| MEMBERS PRESENT | REPRESENTATIVES |
|---|---|
| Abex Corporation | R. Cutler |
| Auto Friction Corporation | S.A. Comins |
| Bendix Corporation Friction Materials Division | F.E. Messier |
| Brassbestos Manufacturing Corporation | W. Simon |
| Carlisle Corporation Molded Materials Division | E.R. Zacharias |
| Gatke Corporation | F.T. Gatke |
| General Motors Corporation Delco-Moraine Division | R.J. Kick |
| Johns-Manville Corporation | T.P. O'Hagan |
| Lasco Brake Products Corporation, Ltd. | W. Laher |
| Maremont Corporation Grizzly Brake Division | J.W. Greenen |
| Molded Industrial Friction Corporation | M.I. Frazier |
| H.K. Porter Company, Inc. Thermoid Division | R. Hein |
| Raybestos-Manhattan, Inc. | D.E. Gow |
| Reddaway Manufacturing Company, Inc. | F.W. Barton, Jr. |
| Royal Industries Brake Products | D. Ogilvie |
| Scandura, Inc. | A.E. Daly |
| Standco, Inc. | J.S. Allen |
| S.K. Wellman Corp. | R.C. Brigleb |
| Wheeling Brake Block Manufacturing Company | L. Burgess |
| World Bestos Company, Division of the Firestone Tire & Rubber Company | C. Weber |

| OTHERS PRESENT | |
|---|---|
| Abex Corporation | R.E. Nelson |
| Auto Friction Corporation | A. Comins<br>S. Comins |
| Bendix Corporation Automotive Service Division | J.H. Kelly |
| Bendix-Westinghouse Division | E. Robers |
| Friction Materials Division | J. Bailey |
| Gatke Corporation | H. Boyle |
| General Motors Corporation Delco-Moraine Division | R.E. Kettering |

| OTHERS PRESENT (Cont'd) | REPRESENTATIVES |
|---|---|
| Johns-Manville Corporation | C.E. Gillberg |
| Maremont Corporation<br>Grizzly Brake Division | D. Carlson<br>D. Robins<br>A. Laus |
| Molded Industrial Friction Corporation | B. Ozmore |
| Raybestos-Manhattan, Inc. | R.R. Moalli |
| Royal Industries Brake Products | W. Osborn |
| S.K. Wellman Corporation | J.E. Clegg |
| Wheeling Brake Block Manufacturing Company | G. Stratton |
| World Bestos Company, Division of the Firestone Tire & Rubber Company | R.J. Alleman |
| Friction Materials Standards Institute, Inc. | E.W. Drislane |
| Stickles, Hayden, Kennedy, Hart & Van Steenburgh | L.D. Stickles |

NOT PRESENT

Chrysler Corporation-Chemical Division
Forcee Manufacturing Corporation
Silver Line Products, Inc.
Thiokol Chemical Corporation

Mr. Greenen, President, acting as Chairman, called the meeting to order at 8:30 a.m.

## MINUTES OF PREVIOUS MEETING

The minutes of the meeting held June 22 and 23, 1971 had been distributed. No reading was requested nor were any corrections made thereto. Upon motion duly made, seconded and unanimously passed, it was

> RESOLVED: That the minutes of the meeting held June 22 and 23, 1971 be accepted as distributed.

## PRESIDENT'S REPORT

Mr. J. W. Greenen, President, opened the meeting with a report on the Institute's progress and activities during 1971-72. See EXHIBIT 1 for text of this report.

Briefly, the President covered the high spots of the 1971-72 fiscal year which included the formation of the Asbestos Study Committee, the move to New Jersey, reactivation of the Institute Development Committee, the retirement of Miss Duschek as of August 31, 1971, and other matters. In particular, Mr. Greenen paid tribute to Mr. C. Brown Whitley, of Scandura, Inc., who passed away during this past fiscal year.

A letter was read from Mr. J. L. McGovern, Jr. advising that he was retiring from Raybestos-Manhattan, Inc. and he would therefore be resigning as a Director and Delegate of the Friction Materials Standards Institute, Inc.

At the Director's Meeting, a resolution had been passed directing the Institute Development Committee to recommend appropriate means of honoring Mr. J. L. McGovern, Jr., to show the Members' appreciation for his years of service to the Institute.

Upon completion of the President's Report, upon motion duly made, seconded and unanimously passed, it was

RESOLVED: That the President's Report be accepted as read.

## TREASURER'S REPORT

Mr. Daly, Treasurer, advised that copies of the financial statements had been distributed. Included in this distribution were

| | |
|---|---|
| EXHIBIT 2.1 | Balance Sheet May 31, 1972 |
| EXHIBIT 2.2 | Income Statement (Projected through June 30, 1972) |
| EXHIBIT 2.3 | Retirement Fund - H. G. Duschek |

For the Treasurer's Report, refer to EXHIBIT 2.

In summary, the financial statements showed a strong cash position with almost $85,000 in checking accounts, savings accounts, and time deposits. The Operating Statement showed an excess of income over expenses of approximately $3,000, with an additional $4,500 of interest income, indicating a total excess of income over expenses of approximately $7,500 for the year ending June 30, 1972. In addition, a separate statement was prepared to show the fund balance for the pension fund set up for Miss Duschek.

Upon completion of the Treasurer's Report, upon motion duly made, seconded, and unanimously passed, it was

RESOLVED: That the Treasurer's Report be accepted as read.

## ANNUAL MEETING COMMITTEE REPORT

Mr. F. E. Messier, Chairman, gave his report concerning the Committee's activities. See EXHIBIT 3 for details of the report.

In essence, the Lodge at Vail, Vail, Colorado, was selected for 1974 and possibly for 1973 if the Membership did not wish to return to the Lodge of the Four Seasons. The decision would be left to the Membership.

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

RESOLVED: To accept the report of the Annual Meeting Committee.

The members then discussed the choice of sites and upon motion duly made, seconded, and unanimously passed, it was

RESOLVED: That the Annual Membership Meeting for 1973 be held at Lodge of Vail, Vail, Colorado, June 18-21, 1973.

## ASBESTOS STUDY COMMITTEE REPORT

Mr. I. H. Weaver, Chairman, prepared a report which was distributed to the Board Members. See EXHIBIT 4. In Mr. Weaver's absence, Mr. Drislane read the report to the Members.

This report reviewed the Committee's activities for the year. Among items covered were the Illinois Pollution Control Board activities, clinic on the membrane filter method for measuring airborne asbestos, proposed EPA emission standards, and the OSHA Asbestos Dust Regulations. Mr. Weaver's report concluded with some recommendations for Committee activity during the coming year.

It was recommended that a new bulletin be issued to advise the Membership on the costs of equipment and on laboratories who might perform work for asbestos dust measurement in line with the new OSHA Standards.

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

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

## BRAKE PERFORMANCE STUDY COMMITTEE REPORT

Mr. R. E. Nelson, Chairman, delivered the report on his Committee's activities. See EXHIBIT 5.

Among the items covered were our work on the Pennsylvania thickness inspection, our comments on Bureau of Motor Carrier Safety Docket MC-30, suggested revisions to Regulation V-3, the new Ohio brake lining law (using V-3), brake lining quality control, and certification through AAMVA.

The most controversial item in the Chairman's Report was the requirement of certification of brake linings through AAMVA. This was a major item in the report the Chairman rendered and essentially it comes down to the following.

North Carolina and Rhode Island now require certification through AAMVA. The fee for certification through AAMVA is $250 per lining. It is estimated that the cost of tests including the observance of these tests by outside laboratories runs about $400. Tests would have to be run within one year of the date that a certification or a recertification is required. All linings would have to be recertified every five years.

In meetings with the AAMVA they had indicated that they would give a "grandfather" certification to those linings already certified in North Carolina or New York by July 1, 1972. This would involve a $50 fee for each lining and the test reports used could be the original test reports used for certification in either New York or North Carolina.

At the Directors' Meeting the Board had resolved to request a written proposal from AAMVA on their certification requirements for linings already certified. The Chairman recommended acceptance of the AAMVA proposal.

Members asked what AAMVA would do to get all states to accept their certification. Massachusetts, for example, will not accept AAMVA certification. It was suggested that if the AAMVA could eliminate the state fees for certification, it might truly perform a service. These questions will be raised with AAMVA.

There was some feeling that Federal Standards might preempt these various state regulations. Mr. Kettering indicated that even if they did, the experience with brake fluids shows that the state will still require certification, even if it is called registration. The conclusion appeared to be that even if Federal standards are written, the industry will still have to face certification (or registration) with the various states.

The consideration of legal challenges to AAMVA certification requirements was discussed: No state law now requires recertification on the V-3 procedure. The AAMVS is simply an association of administrators who have questionable legal status - can a state delegate their regulatory powers to such an association? The AAMVA certification fees are uncontrollable - it parallels taxation without representation. Those paying fees to AAMVA are paying for their own surveillance.

Mr. A. Comins questioned what safeguards the industry has as regards fees charged by AAMVA. Mr. Nelson answered that there were none and that AAMVA had already indicated that the fees would rise when their surveillance program starts.

After discussion of the Compliance Sampling and Certification Responsibilities of Manufacturers, the Chairman requested recommendations from the Membership for members to serve on a suggested Quality Control Sub-Committee. A question from the floor asked whether members not using the recommended quality control practices might not be cited as not complying. Without specifically answering, the point was made that even if one did use recommended sampling techniques there was no guarantee that he would be complying with requirements. It would be the intention of this Sub-Committee to suggest reasonable procedures and techniques, with sampling requirements that reasonable government regulators would accept.

During discussion on the NHTSA plans for a brake lining standard using a single end inertia dynamometer, Docket 70-27 for the upgrading of FMVSS 105 was discussed. To resolve a question on Docket 70-27 it was pointed out that Docket 70-27 pertains to all vehicles with hydraulic brakes and that there are different requirements between passenger cars and other less than 10,000 GVW vehicles, as compared with vehicles over 10,000 GVW.

Mr. A. Comins brought up a question concerning materials as a substitute for asbestos in friction materials. Mr. Comins suggested that the Institute engage an outside consulting firm to determine if there was a practical substitute for asbestos in brake lining. Such a firm would be asked to resolve (1) If there were no practical substitute, say so, and the Institute could use this as support in dealing with asbestos regulations; (2) If there were practical substitutes, pass this information on to the Institute along with the consulting firm's recommendations.

Rather than call for a motion, a show of hands was called for to indicate if members were interested in this approach. A show of hands indicated 7 or 8. These were not all delegates(or alternates sitting in place of delegates). As no motion was properly seconded, it was recommended that the Asbestos Study Committee consider this suggestion and report back to the Board.

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

RESOLVED: That the report of the Brake Performance Study Committee be accepted.

## BUDGET COMMITTEE REPORT

Mr. Carl Weber, Chairman, presented his Committee's report. In summary, the budget projects $73,795 expenses, approximately a 5% increase over the $70,260 budgeted for 1971-72.

For details of the Budget Report, see EXHIBIT 6, and for line items see the Proposed Budget, EXHIBIT 6.1.

Mr. Osborn questioned the Bad Debts Provision for $1,000. The Secretary explained that there were some collection problems and that this was not a cash outlay but an accounting entry to reflect the possible noncollection of receivables in the year in which the income would be realized.

The Chairman advised that at the Board Meeting on June 27, 1972, the Board had resolved that the proposed budget of $73,795 for the fiscal year starting July 1, 1972 be accepted and that its adoption be recommended to the Membership.

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

RESOLVED: That the proposed budget of $73,795 for the fiscal year starting July 1, 1972 be adopted.

## DATA BOOK AND TECHNICAL COMMITTEE REPORT

Mr. Ron Moalli, Chairman, reported on the 1971-72 activities of the Committee. The detailed report is EXHIBIT 7.

Among items reported on were the clutch facing drilling illustrations (now a part of the Data Book), the Brake Block Identification Catalog (to be printed in August 1972), the EDP Numbering System (to be a part of the 1973 Data Book), the Brake Lining Consolidation Program, and five resolutions on disc brake lining and shoe assignments.

These five resolutions were made, seconded and passed by the Committee and are listed in the detailed report, EXHIBIT 7.

The Chairman discussed assignments of foreign car brake shoes for the Brake Shoe Identification Catalog. At the current time, the only foreign shoes shown are for Volkswagen, but the Committee intends to expand this with some of the more popular foreign cars such as Datsun, Toyota, etc.

It was recommended that the Institute Development Committee consider the needs for a heavy duty Brake Shoe Catalog.

At the Board Meeting on June 27, 1972, the Secretary was directed to see that the Data Book (and Supplement) be shipped to the members by May and that the Brake Shoe Identification Catalog be shipped to members by July.

Mr. A. Comins asked for an explanation of the EDP Code Numbers and the Chairman explained that the existing FMSI Numbers would be continued but that the EDP Number would be added parenthetically below the FMSI Number in the numerical section of the Data Book.

Mr. Osborn made a motion that considering the outstanding contributions to the Institute by Mr. Moalli, Chairman of the Data Book and Technical Committee and by Mr. Nelson, Chairman of the Brake Performance Committee, that the Institute show their appreciation by honoring them in an appropriate manner. After discussion, upon motion duly made, seconded and unanimously passed, it was

RESOLVED: That the Institute Development Committee be directed to suggest an appropriate means of demonstrating the Institute's appreciation to Mr. Moalli and Mr. Nelson.

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

RESOLVED: To accept the report of the Data Book & Technical Committee.

## FEE FORMULA COMMITTEE REPORT

Mr. R. C. Brigleb, Chairman, reported on the Committee's activities for the year. See detailed report EXHIBIT 8.

In summary, the fee formula rules were clarified in October 1971, and the fees for 1972-73 will remain the same as for 1971-72.

| | | |
|---|---|---|
| Active Members: | Basic Fee | $1,050 |
| | Each Category | 650 |
| Regional Members: | Associations | 2,200 |
| | Individuals | 1,300 |
| Licensees: | | 500 |

The following resolution, passed by the Board of Directors on June 27, 1972, was read by the Secretary:

RESOLVED: That for the fiscal year starting July 1, 1972 that the fees charged Active Members, Regional Members and Licensees remain at the same level as those for the year starting July 1, 1971.

Upon motion duly made, seconded and passed, it was

RESOLVED: To accept the report of the Fee Formula Committee and the fees as approved by the Board of Directors.

## INSTITUTE DEVELOPMENT COMMITTEE REPORT

Mr. J. H. Kelly, Chairman, reported on this Committee. See EXHIBIT 9.

In Mr. Kelly's report to the Board on June 27, 1972, he had concluded that because of a lack of interest, there was no need to pursue further the idea of an hydraulic brake parts section within the Institute. However, there was considerable discussion at the Board Meeting on this subject. It was felt that the merits of an hydraulic brake parts section could not be resolved at this Board Meeting. It was suggested that a broader classification "Brake System Parts Manufacturers" be used rather than "Hydraulic Brake Parts Manufacturers." It was suggested at the meeting that since the basic problem of enlarging the Membership to include brake system parts manufacturers could not be resolved, it might be in order to bring this to the Membership so that they could consider authorizing changes to the Constitution and By-Laws that would permit this type of change in the Membership. The purpose here was that making contact with the brake system parts manufacturers without the authorization of the Membership might prove fruitless.

Mr. A. Comins commented that he was against enlarging the Institute's Membership to allow those in the brake system parts manufacturing into Membership. He was concerned about dilution of the Institute's efforts away from friction materials manufacturers. Mr. Moalli suggested that since most of the legislation in Washington and elsewhere was primarily concerned with brake systems rather than brake lining as such, perhaps there was merit in the Institute including brake system parts manufacturers. Mr. Nelson suggested that if we were representing a larger segment of the brake industry, our recognition in Washington would be increased. It was also suggested that since we are involved with Washington and the states there would not be as much dilution in our efforts as first indicated.

The Membership was advised that the Board was suggesting only that the changes necessary in our Constitution and By-Laws to accommodate such a change be studied. The Membership was not being asked to make a decision on whether the Institute should be opened up to brake system manufacturers at this time. Further, the Membership would later on be given the chance to vote on any changes to the Constitution and By-Laws that might be necessary to accommodate such a change.

After discussion, upon motion duly made, seconded and passed, with one dissenting vote, it was

RESOLVED: That a committee be appointed to recommend appropriate amendments to the Constitution, for the purpose of expanding the Institute to include manufacturers of brake and/or allied parts and that a favorable vote on this motion will constitute authorization to proceed with discussions with such potential new members.

The President advised again that any actual change in the Constitution must come back to the Membership and such changes would most likely be recommended after the Institute Development Committee studies the Constitution and By-Laws. While there was a lack of unanimity on this subject, the Chairman felt that the Institute should contact brake system parts manufacturers again to determine the extent of interest in Membership in the Institute.

Upon motion duly made, seconded and passed, it was

RESOLVED: That the report of the Institute Development Committee be accepted but that the subject of brake system parts manufacturers be kept open.

MEMBERSHIP COMMITTEE REPORT

Mr. Frank Gatke, Chairman, delivered this report. See EXHIBIT 10.

In summary, the report indicated the following:

| | 1971-72 | 1972-73 |
|---|---|---|
| Active Members | 22 | 25 |
| Regional - Associations | 2 | 2 |
| - Individuals | 7 | 8 |
| Licensees | 8 | 8 |

Prospective members were duscussed. Allied Friction in Florida sells new drum shoes and new disc brake shoes. National Friction (subsidiary of Kelsey-Hayes) is selling brake linings in commercial quantities in the automotive market, but it is not known whether they are using FMSI numbers. M & D Brake, California, has been using FMSI numbers on price lists, and had been contacted by the Institute. The Institute office solicits information on any manufacturer who is using the FMSI numbers without proper authorization.

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

RESOLVED: That the report of the Membership Committee be accepted.

PUBLIC RELATIONS COMMITTEE

Mr. W. Simon, Chairman, delivered his Committee's report. Refer to EXHIBIT 11.

The members were advised that this controversial report received the strong support of all Board Members despite the Secretary's objections.

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

RESOLVED: That the report of the Public Relations Committee be accepted.

NOMINATING COMMITTEE

Mr. Simon, Chairman, reported that the resignation of Mr. J. L. McGovern, Jr. had been accepted with regret. Mr. McGovern had one more year to serve on his two year term. The Chairman reported that his Committee, after due consideration and in accordance with the requirements of the Institute's Constitution, presented the following candidates for election to the Board of Directors:

For a one-year term:
(the unexpired year of Mr. McGovern)

| | |
|---|---|
| Mr. D. E. Gow | Raybestos-Manhattan, Inc. |

For a two-year term:

| | |
|---|---|
| Mr. J. W. Greenen | Maremont Corporation, Grizzly Brake Division |
| Mr. F. Gatke | Gatke Corporation |
| Mr. F. E. Messier | Bendix Corporation Friction Materials Division |
| Mr. E. R. Zacharias | Carlisle Corporation, Molded Materials Division |

In answer to a question from the floor, the Chairman advised that the other Directors were:

| | |
|---|---|
| Mr. W. Simon | Brassbestos Corporation |
| Mr. C. Weber | World Bestos Company, Division of the Firestone Tire & Rubber Co. |

Messrs. Simon and Weber will start the second year of their two year terms as Directors on July 1, 1972.

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 the five nominees to the Board of Directors. The Secretary advised that the ballot had been cast.

Mr. Simon advised that with the election of these candidates and the two Directors whose terms have not expired, the Board now consists of the required seven (7) members.

## BOARD OF DIRECTORS REPORT

The Secretary reported that in addition to the resolutions passed by the Board of Directors at session on June 27, and read to the meeting, during the fiscal year the following were also passed:

1. Acceptance of the proposed budget of $69,860 for the fiscal year starting July 1, 1971 as adopted by the Membership.
2. Acceptance of the fee formula for the fiscal year starting July 1, 1971 as proposed by the outgoing Board and adopted by the Membership.
3. Ratified all acts of the officers, staff and committees for the year ended June 30, 1972.
4. A resolution that only those members reporting the historical sales figures would receive copies of the reports.
5. A resolution expressing the Institute's interest in contacting hydraulic brake parts manufacturers concerning their membership in the Institute.
6. Authorization of Mr. L. D. Stickles, attorney, as a check signer along with the President, Treasurer and Secretary.
7. A recommendation that the Institute offices be moved to New Jersey by December 31, 1971.
8. The reinstallment of S. K. Wellman Corp. as an Active Member.
9. Recommended to the Active Members the acceptance of the following applications for Membership:

Active Members: Molded Industrial Friction Corporation
Auto Specialties Manufacturing Company

Licensee: Grinnell Stamping Company

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The President thanked the Membership, Board of Directors, Committee Chairmen and members for their accomplishments and cooperation during the past year.

No further business was brought to the attention of the meeting. Upon motion duly made, seconded and unanimously passed, it was

RESOLVED: To adjourn the second day's session of the Annual Membership Meeting on June 29, 1972.

Adjourned at 10:45 A.M.

E. W. Drislane
Secretary