

MINUTES OF MEETING

of the

BOARD OF DIRECTORS

Tuesday June 15, 1982

at

Sawgrass, Ponte Vedra Beach, Florida

DIRECTORS PRESENT

Gordon A. Carrigan, President
Robert E. Nelson, Vice President

Francis E. Messier

Robert J. Anderson

Stuart Comins
F. William Barton
John P. Gallagher

S. K. Wellman Corporation
Abex Corporation
Friction Products Group
Bendix Corporation
Automotive Aftermarket
Certified Brakes
Lear-Siegler Company
P. T. Brake Lining Company
Reddaway Manufacturing Company
Thiokol Corporation
Friction Division

OTHERS PRESENT

Philip H. Grim, Jr., Committee Chairman	Abex Corporation Friction Products Group
James W. Armstrong, Committee Chairman	Bendix Corporation
William Simon, Treasurer	Brassbestos Manufacturing Company
Robert P. Gorman, Counsel	Durand, Gorman, Heher, Imbriaco & Lynes, Counsellors at Law
Edward W. Drislane, Secretary	Friction Materials Standards Institute

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Mr. Carrigan, President, called the meeting to order at 8:30 AM, June 15, 1982.

MINUTES OF PREVIOUS MEETING

Minutes of the Board of Directors meetings of June 16-17, and June 17-18, 1981 had been distributed. A Director moved that the Secretary dispense with the reading of the minutes.

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

RESOLVED: That the minutes of the Board of Directors meetings of June 16-17, and June 17-18, 1981 be accepted as written.

HEALTH AND ENVIRONMENTAL AFFAIRS COMMITTEE REPORT

Mr. Armstrong, Chairman of the Health and Environmental Affairs Committee, presented this report. Refer to EXHIBIT 9.

Mr. Armstrong noted actions taken by the Committee and the Institute Office since earlier meetings. He noted in particular that concern was rising relative to litigation in the asbestos area, and proposals for Federal Legislation in the Compensation area. Based on this concern, the Committee met with representatives of the Asbestos Compensation Coalition relative to its activities, and recommended that a representative of this Coalition address the full Membership at this Meeting.

He also noted the concern with landfill and waste disposal requirements. At its meeting, this Committee asked that the Board of Directors approve a request to the Federal EPA on approved landfills for friction materials waste, and asked that the Board suggest the means for making such a request. Mr. Armstrong reviewed several general OSHA and EPA activities in areas of concern to friction materials manufacturers and noted that the Institute had written NIOSH for either a final report or a status of the NIOSH contract for "Health Hazards in Brake Lining Repair and Maintenance Workers Occupationally Exposed to Asbestos."

In discussion of this report, the Chairman noted that New York State now requires the Material Safety Data Sheet (MSDS) for material identification and communication purposes.

In response to a question as to who is the "generator" of hazardous waste, Mr. Armstrong noted that it is the manufacturer who "generates" the waste. Laws apply to all hazardous waste, and while asbestos is not now regulated under the Resource Conservation and Recovery Act (RCRA) it is regulated under the National Emissions Standards for Hazardous Air Pollutants (NESHAPS). As asbestos is inert, it is probably not the real problem in waste sites.

A Director asked what the Board of Directors could do in the environmental area to better support its Members. It was suggested that pooling of information to assist in defending against litigation from exposure to friction materials dust could be an area of assistance. It was noted that the Asbestos Information Association (AIA) had pooled information of this type in its general library. Counsel noted that information on litigation in this area was available to Attorneys and others through subscription services. One Director suggested that the best information was that of a medical nature which could tie in or not tie in specific disease areas (lung cancer, asbestosis, mesothelioma) to exposure to asbestos in the brake repair area. It was stated that there were about 200 lawsuits currently being litigated in the brake repair area (compared to well over 20,000 asbestos suits in all). It was noted that if information along the lines of specific health effects among brake repair workers was gathered, it would be accessible by others and could not be held for Members only.

In this discussion, the "manifestation" and "exposure" theories of liability were discussed. The manifestation theory held that the insurance carrier at the time the disease was known should be held liable, while the exposure theory contended that the carrier insuring the manufacturer when the worker was exposed should be held liable. The long latency of disease from asbestos exposure would lend support to the exposure theory. This is an area of increased concern among insurance carriers and the insured parties. Current practice is to name as many defendants as possible and to work one party against the other (insurance carrier versus insurance carrier, manufacturer against insurance carrier, and manufacturer versus manufacturer).

It was noted that any experienced Counsel involved in asbestos litigation or in litigation in the brake repair area, could gather results and decisions in this area by reference to normal legal publications available in these areas. There would be no problem in gathering specific information in the brake lining litigation area. It was noted that the vast majority of asbestos lawsuits do not involve brake lining, and those that do primarily concern the brake repair shops. Mr. Armstrong noted that Mr. Pullen of the Asbestos Compensation Coalition would address some of these matters in his presentation to the Membership.

A Director suggested consideration of the Committee's recommendations in the landfill or waste disposal area. Should the Institute start a dialog with Federal and/or State Regulatory authorities to develop information on approved waste disposal sites? Where does a manufacturer now dispose of friction materials waste? It was suggested that the Institute start asking questions on the Federal level. A Member stated that existing landfill availability was not now a problem. The problem was that when these landfills are filled, where can friction materials manufacturers dispose of their waste?

The landfill problem largely is a timing problem. As present landfills are filling up, the problem will be two or three years down the road when these sites are filled. It was suggested that the Institute initiate a dialog with the Federal EPA to seek landfill sites for friction materials waste. It was stated that there is a question of Federal or State control of landfills, and that the Institute should be seeking information on currently available sites for hazardous waste disposal within particular states. It was restated that the question is not where the sites are now, but where will they be in two or three years.

It was suggested that the Committee draft a letter for Members to send to their suppliers which would provide guidelines on seeking or establishing landfill sites for their materials. The Directors asked that the Committee prepare such a letter. Further, it was suggested that other associations be contacted to get background on other industries and their problems and solutions for waste disposal.

In addition, Legal Counsel was asked to write the States involved for information on availability of landfill sites for disposal of friction materials waste. He was also asked to contact the Federal Regulatory authorities for information of a similar nature.

It was asked if the Institute should take an active roll in support of a Federal Compensation Act for workers exposed to asbestos. Should the Institute tie in with either the Asbestos Information Association or the Asbestos Compensation Coalition in direct support of their objectives? Should these organizations be supported individually or should they be supported by the Institute? It was suggested that any activities relating to asbestos compensation be deferred until after the presentation by the Asbestos Compensation Coalition to the Membership. After that presentation, the newly elected Board of Directors could take action they feel appropriate as regards the Asbestos Compensation Coalition.

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

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

Upon further discussion, it was noted that this Committee had made significant efforts on behalf of the Institute over the past year.

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

RESOLVED: To express a special vote of thanks to the Committee for its efforts in the health and environmental areas on behalf of the Institute.

ANNUAL MEETING COMMITTEE REPORT

Mr. John M. Moore is Chairman of the Annual Meeting Committee. Mr. Drislane delivered Mr. Moore's report. Refer to EXHIBIT 13.

In summary, Mr. Moore recommended that the Institute return to Sawgrass in 1983, in continuance of the Institute's policy of attending the same site for two years if the first year is satisfactory. For 1984, Mr. Moore recommended LaCosta, in Carlsbad, California, in the San Diego area. As back-ups, his Committee recommended Sandpiper Bay and Grenelefe, both in Florida.

A Director stated that one major difficulty with Sawgrass and that type resort was that the Membership was spread out all over the development, and a "one front door" arrangement like the Homestead is preferable to this villa/condominium arrangement. It was stated that LaCosta was that type arrangement. It was recommended that if the Institute returns to Sawgrass in 1983 that it attempt to get the villas together. It was suggested that if this report were to be accepted as written, the Institute would amend this to add: (1) Sawgrass would be asked to reserve villas closer together for the Institute's 1983 meeting: (2) Alternate sites in Florida--Sandpiper Bay and Grenelefe--be rejected.

June 15, 1982

FEE FORMULA COMMITTEE REPORT (PART 2)

The report by the Fee Formula Committee had been read earlier at this Meeting. The subject had been tabled pending certain subsequent reports, and particularly that of the Health and Environmental Affairs Committee Chairman.

Mr. Comins proposed that the fees be increased to fund contingent expenses such as those for consulting in the health and environmental areas. Of particular concern would be assistance in the waste disposal areas. This increased fee formula would be established to intentionally provide a Reserve to deal with industry's problems in the asbestos, health and environmental areas, including, but not limited to areas of waste disposal. An increase in the basic fee for Active Members from \$1,150 to \$1,300 was recommended, with no additional increase in the category assessment. Fee increases of similar amounts were suggested for other classifications, and the following fees were suggested for 1982-83:

Active Members and Regional Members
with Active Member rights Basic Fee: \$1,300 (Was \$1,150)
Category Charge: \$700 (No Change)

Regional Members (Individual Regionals
without Active Member rights) Fee: \$1,600 (Was \$1,450)

Regional Members (Associations) Fee: \$2,600 (Was \$2,400)

Licensees Fee: \$600 (Was \$550)

Upon motion duly made, seconded and passed with six Directors in favor and one opposed, it was:

RESOLVED: To adopt the following fee formula for
1982-83: Active Members and Regionals
with Active Member rights: Basic Fee \$1,300;
Category Fee \$700; Regional Member (Regular):
Fee \$1,600; Regional Member (Association):
Fee \$2,600; Licensee: Fee: \$600.

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There being no additional 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 12:25PM

E. W. Drislane
Secretary