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

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. Drschek
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:

FMSI 00006

	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 passed, 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. T. 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.

FMSI 00011

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.

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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