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

MINUTES OF MEETING

of the

BOARD OF DIRECTORS

Tuesday, June 17, 1975, at 8:30 A.M.

at

Innisbrook, Tarpon Springs, Florida

DIRECTORS PRESENT

J. W. Greenen	Maremont Corporation
F. E. Messier	Bendix Corporation
W. Simon, Vice-President	Brassbestos Manufacturing Corp.
R. R. Moalli	Raybestos-Manhattan, Inc.
E. R. Zacharias	Carlisle Corporation
S. S. Conway	Abex Corporation
J. E. Clegg	S. K. Wellman Corporation

OFFICERS PRESENT

F. T. Gatke, President	Gatke Corporation
A. A. Laus, Treasurer	Maremont Corporation
E. W. Drislane, Secretary	Friction Materials Standards Institute
R. P. Gorman, Counsel	Clapp & Eisenberg

COMMITTEE CHAIRMAN PRESENT

R. E. Nelson (Brake Performance)	Abex Corporation

GUEST PRESENT

R. Join	Federation of European Manufacturers of Friction Materials (FEMFM)

Mr. F. T. Gatke, President, called the Meeting to order at 8:30 A.M.

MINUTES OF PREVIOUS MEETING

The Minutes of the Meeting held March 13, 1975 had been distributed. No corrections were suggested. Upon motion duly made, seconded, and unanimously passed, it was

RESOLVED: That the Minutes of the March 13, 1975 Meeting be accepted as written.

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PRESIDENT'S REPORT

Mr. Gatke, President of the Institute, welcomed the Members to the Directors Meeting at Innisbrook. Mr. Gatke read the President's Report. Please refer to Exhibit 1 of the reports.

Mr. Gatke covered items of interest concerning the 1974-75 fiscal year and in particular thanked the Officers, Directors and Staff for their cooperation during this past year. Upon motion duly made, seconded and unanimously passed it was

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

MR. ROBERT JOIN--FEDERATION OF EUROPEAN MANUFACTURERS OF FRICTION MATERIALS (FEMFM)

Mr. Robert Join, the Secretary of the Federation of European Manufacturers of Friction Materials (FEMFM) had been invited to attend our Annual Meeting and address the Directors and the Membership concerning the organization and activities of the FEMFM. This invitation was extended as a result of the Board of Directors March 13, 1975 meeting where it was recommended that the Institute contact the FEMFM to determine if their were mutual advantages in establishing a relationship between the Institute and the FEMFM. Mr. Conway, while with Abex Pagid in Paris, had known Mr. Join and developed a high regard for Mr. Join's capabilities.

Mr. Join discussed some of the organizations in Europe. He indicated that each country in Europe has 2 members in the FEMFM. Mr. Join referred particularly to two groups on the continent: ECE (the Economic Council for Europe), and EEC (the European Economic Communities). The EEC is a UN group based in Geneva and the ECE is a European group based in Brussels. Mr. Join referred to Regulation 13 that was drafted in 1958. This regulation if implemented could have the effect of requiring that all replacement brake linings be certified that they were satisfactory by the vehicle manufacturers. In 1971 the EEC moved to make these requirements compulsory for member states in the European market. Such action (if implemented) would have most serious consequences for the independent manufacturers of friction material.

In response to a question, it was pointed out that the British Friction Materials Council, which is active in the European market, is member of the Friction Materials Standards Institute. The Institute however is not a member of the British Council. The WVA is a German Association of Friction Materials manufacturers. They are not members of the Friction Materials Standards Institute.

A specific question raised by Mr. Join was whether he should report to the FEMFM that our Institute is in favor of establishing some type of relationship with the FEMFM. Mr. Join questioned whether the Institute should request representation on ISO TC 22. The Secretariat for Working Group 2 of ISO TC 22 is Denmark. Mr. Robert Nelson of the Abex Corporation, Chairman of our Brake Performance Study Committee attended the meetings in Denmark in June of 1974. Working Group 2 (WG 2) is trying to determine if it is possible to classify linings. In this way approval or certification could be made by classes of brake linings and certain classifications would be suitable for specific brakes.

The Board of Directors recommended that Mr. Join address the Membership on Wednesday, June 18, 1975 to discuss the problems and objectives of the Federation of European Manufacturers of Friction Materials. Upon motion duly made, seconded and unanimously passed it was

RESOLVED: That the Institute expresses its appreciation for Mr. Join's efforts in establishing a relationship between the FMSI and the FEMFM.

MR. ROBERT GORMAN, LEGAL COUNSEL--CLAPP & EISENBERG

The President introduced Mr. Robert Gorman of the Newark, New Jersey firm of Clapp & Eisenberg, as new Legal Counsel for the Institute. Mr. Gorman spoke briefly to the Directors indicating his interest in serving the Institute. He pointed out that there would be a learning period in taking over these responsibilities. Also, where he did not feel in a position to give an opinion or advice at a meeting, he would research the question and facts and promptly advise of the answer.

MEMBERSHIP COMMITTEE REPORT

Mr. Greenen, Chairman of the Membership Committee submitted this report. Please refer to Exhibit 2 entitled "Report of the Membership Committee." Mr. Greenen indicated that we had gained five Regional Members and one Licensee during 1974-75. We had lost World Bestos Division of Firestone, a long time member of the Institute, but had gained Hayes-Albion Corporation. Upon motion duly made, seconded and unanimously passed it was

RESOLVED: That the Membership Committee Report be accepted as written.

TREASURER'S REPORT

Mr. Andre Laus, Treasurer of the Institute, presented the Treasurer's Report for the 1974-75 fiscal year. Please refer to Exhibit 3.

Mr. Laus reviewed performance versus budget which showed a net favorable variance of $11,520. He pointed out that the results were projected to June 30, 1975 based on data available as of April 30, 1975. There could be changes in some of the line items. Based primarily on the increased membership fees which were received from new Regional Members and the interest income which was not reflected when the budget was prepared, the excess of income over expenses was projected at $11,520.

Mr. Laus pointed out that the Institute continued to be in healthy financial shape. This projected income wuld bring our Capital and Surplus to the $140,000 level as of June 30, 1975. Counsel was questioned as to accumulation of Capital and Surplus. He indicated that he had checked with his tax department prior to the meeting, and they had indicated that a ratio of Capital and Surplus to annual revenue could run as high as 3 to 1 without posing any particular problem from the Internal Revenue Service. Based on the current Capital and Surplus projection of $140,000 and revenues approaching $80,000 for the next year, this does not appear to be a problem.

It was pointed out that of this $140,000 that some must be considered reserved for payment of Miss Duschek's pension. The Institute has a contract to pay Miss Duschek $300 a month for the rest of her life. This obligation, if converted into an annuity, could reduce the Capital and Surplus by a significant amount. Another Director pointed out that with all the regulations that are affecting this industry, the Institute may well have to get into vehicle tests at some later time to establish an industry position for replacement brake lining. Both because of the pension obligation and (primarily) of the possibility of expenditures for industry-wide tests, it was agreed the surplus was reasonable and necessary.

It was suggested that the Institute set up a reserve for the possibility of vehicle testing. It was stated by another Board member that this is not necessary as funds are there and there is no need to specifically appropriate them. Several Directors stated that it did not appear to be necessary to set up a reserve.

Mr. Laus concluded the Treasurer's Report indicating that we had shown an excess of income over expenses for the past several years without an increase in the dues level. He specifically referred to the twelve year financial summary which accompanied his report.

Upon motion duly made, seconded and unanimously passed it was

RESOLVED: The the Treasurer's Report be accepted as written.

INVESTMENT ADVISORY COMMITTEE

Mr. William Simon, Chairman of the Committee presented the report. Please refer to Exhibit 4.

In summary, Mr. Simon indicated that the Institute had maintained most of its funds in higher interest bearing time deposits. We were unable to place funds in treasury obligations when the old time-deposits came due, because of falling interest rates for treasuries. It was indicated that interest income in 1974-75 will be approximately $9,800. Upon motion duly made, seconded and unanimously passed it was:

RESOLVED: That the report of the Investment Advisory Committee be accepted as written.

In addition, the Directors expressed their thanks to the Chairman for a job well done.

BUDGET COMMITTEE REPORT

Mr. James Clegg, Chairman of the Budget Committee, presented the report. Please refer to Exhibit 5.

In summary, the Budget Committee proposed a budget of $78,575 for the 1975-76 fiscal year. This would be $4,525 more than the 1974-75 budget and about $2,300 over that which was projected for 1974-75 as of April 30, 1975. After completion of the presentations by the Budget Committee Chairman it was decided to increase the pension fund to Miss Duschek by $1,200 annually. As a result, the budget as approved by the Board of Directors was increased to $79,775 for the 1975-76 fiscal year. Upon motion duly made, seconded, and unanimously passed it was

RESOLVED: That an annual budget of $79,775 is approved for the 1975-76 fiscal year.

Further, upon motion duly made, seconded, and unanimously passed it was

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

INSTITUTE PENSION PLANS

Mr. Drislane read the report on the Institute Pension Plans. Please refer to Exhibit 11.

In summary, there are two pension plans in effect: (1) Benefits being paid directly to Miss Duschek, who retired in September 1971 and (2) The Friction Materials Standards Institute Plan, which is a qualified plan, worked out with Connecticut General Life Insurance. The report indicated that Miss Duschek was receiving $3,600 a year from the Institute. These payments are covered by a contract which was drawn up prior to Miss Duschek's retirement. After discussion, it was decided that Miss Duschek's pension payments should be increased from $300 to $400 per month. Upon motion duly made, seconded and unanimously passed it was

RESOLVED: That Miss Duschek's pension payments will be increased from $300 a month to $400 a month effective July 1, 1975.

Mr. Gatke, President was requested to advise Miss Duschek of this increase. A question was raised as to whether the contract that was drawn up should be revised to reflect this increase from $300 a month to $400 a month. A suggestion was made that the Institute should investigate an annuity. It was stated that Miss Duschek has expressed concern about her pension should future Directors question the payments or should something happen to the Institute itself. It was suggested that an annuity might be the answer to assure Miss Duschek's pension regardless of future actions by the Institute. The actual form of pension payments will be studied, with emphasis on the possibilities of purchasing an annuity to guarantee Miss Duschek $400 a month for the rest of her life. The Secretary was directed to investigate such an annuity. Any contract revision will be held in abeyance until a decision is made as regards an annuity. No additional deposit will be made to the Bowery Savings account, which is held for Miss Duschek, pending resolution of this study. In the meanwhile, the Institute will proceed with the increased payments to Miss Duschek on July 1, 1975.

Mr. Drislane and Mr. Simon are Trustees of the Friction Materials Standards Institute Employee Pension Plan which is funded with life insurance through

Connecticut General, and with a side fund now invested in time deposits. Mr. Drislane, as Trustee, read from the report on the Institute Pension Programs indicating their financial status. It was pointed out that the formula for pensions involved employee income over $9,000 annually, and that only full-time employees of the Institute qualify for the plan. When Miss Collins' salary exceeds $9,000 a year, she will be participating in this plan. Part-time employees will not be covered. The Internal Revenue Service has approved the plan.

Legal Counsel asked the Secretary to send him a copy of the Employees Retirement Plan. Legal Counsel also requested a copy of the determination letter from the Internal Revenue Service. (Subsequent to the meeting, these were sent.) The Secretary indicated that he had worked closely with Connecticut General Life Insurance in preparing the necessary forms and reports as required by the plan.

FEE FORMULA COMMITTEE REPORT

Mr. Andre Laus, Chairman of the Fee Formula Committee presented this report. Please refer to Exhibit 6.

Based on the original budget recommended by the Budget Committee the Fee Formula Committee recommended that the annual fee schedule remain the same for 1975-76 as it has been in the past four years. This would be Active Members: basic fee $1,050, per category $650; Regional Members: Individual $1,300, Association $2,200; Licensee $500. Regional members with the same rights as active members would pay the same fee schedule as active members.

During the meeting the budget was increased by $1,200 to a figure of $79,775. Based on the estimated membership and categories for 1975-76, this would project a $2,625 operating deficit. However this projected operating deficit does not include approximately $10,500 of interest income anticipated for 1975-76. Upon motion duly made, seconded, and unanimously passed it was

RESOLVED: That the Fee Formula be continued for 1975-76 as it was in this past fiscal year. Active Members: basic fee $1,050, per category $650; Regional Members: Individual $1,300, Association $2,200; Licensee $500.

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

RESOLVED: That the report of the Fee Formula Committee be accepted as written.

PUBLIC RELATIONS COMMITTEE

Mr. William Simon, Chairman of the Public Relations Committee read this report. Please refer to Exhibit 12.

Mr. Simon indicated that there had not been much in the way of press releases in 1974-75 except for the announcement of election of Officers at last year's meeting. In response to a request made by Mr. Dave Gow at the June 1974 Meeting, copies of some of releases that have been made over the past several years were distributed. Upon motion duly made, seconded and unanimously passed it was

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

DATA BOOK & TECHNICAL COMMITTEE

Mr. Ron Moalli, Chairman of this Committee presented the report. Please refer to Exhibit 8.

At the conclusion of Mr. Moalli's report, discussion centered on the subject of consolidation. It was stated that if the Institute were to proceed with a consolidation program and distributed it to the members, some might claim that the sizes used in an individual's consolidation had been recommended by the Institute. This could expose the Institute to a possible unwarranted liability. Every manufacturer now consolidates in some fashion or another. In order to satisfy all members and to complete a project of this nature without unnecessary exposure, this could become a most complex assignment.

Several Directors commented on the extensive work done by the Committee in general and Mr. Moalli in particular. However, they stated that its complexity made it difficult to proceed further with consolidation. The Board of Directors directed the Chairman to discontinue work on this consolidation program.

In his report, Mr. Moalli reviewed the study of the Industrial Friction Material Catalog (17,000 series). During the April committee meeting it was concluded that the publication of an up-dated Industrial Friction Material Catalog would be a massive job. In the words of the report: "This is a very large undertaking considering the lack of current information."

The Committee had resolved that the Institute Development Committee should study the question of an Industrial Friction Material Catalog. A director stated that an Industrial Friction Catalog, if improved over the publication put out in 1974, would be a most worthwhile job. It would be most relevant to the work being done by several members of the Institute. The Directors decided that this study should not be referred back to the Institute Development Committee and requested the Data Book and Technical Committee to draw up the job that would be involved in preparing an Industrial Friction Material Catalog as they see it. How many phases to this job? How long would this job take? Would additional help be needed? How could the members of the Institute who wish this data participate in preparing such a catalog?

Upon motion duly made, seconded and unanimously passed it was

RESOLVED: That the Data Book and Technical Committee review a program for an Industrial Friction Material Catalog and report back to the Board of Directors on the scope and planning necessary for such an undertaking.

A question came up as regards the Institute's position (in catalogs and bulletins) as regards the adoption of the metric system. The Chairman advised that the metric system had been discussed at meetings of this committee. No decisions had been made. However, the suggestion had earlier been made that metrics be shown along with the English system in the numerical listing in the Automotive Data Book. Mr. Moalli indicated that many of the foreign drum brake and disc brake linings were originally dimensioned in metrics, and are converted over to the English system for our catalogs. There would not be much difficulty in coverting these to metric and leaving them as metric. However, the form which conversion to the metric would take has not been decided. Upon motion duly made, seconded and unanimously passed it was

RESOLVED: That the Data Book and Technical Committee study the problem of conversion to metrics and the inclusion of metric data in the catalogs.

A director commented on the section of the Chairman's report concerning the lined shoe catalog. He felt that an interchange listing with the Brake Shoe Identification Catalog was not a satisfactory means of getting this data to the users. He stated further that we do not now have a brake shoe catalog which is useful for marketing purposes. Mr. Moalli pointed out that in the market place most of the manufacturers refer to the shoe number only. Also, there are so many consolidations for the elimination of shoes that a catalog put out by the Institute based on original equipment information would not do this job. He stated that different people will present their data differently and will consolidate the shoes and lined shoes in a different fashion. Mr. Moalli pointed out the pitfalls that could develop if the Institute were to recommend that a shoe such as the #352 (9 x 2-1/4") be used for earlier model applications.

Upon motion duly made, seconded and unanimously passed it was

RESOLVED: To accept the report of the Data Book and Technical Committee as written.

The Directors also expressed their thanks to Mr. Moalli for his efforts and those of his committee.

BRAKE PERFORMANCE STUDY COMMITTEE

Mr. Nelson, Chairman of the Brake Performance Study Committee delivered this report. Please refer to Exhibit 7.

Mr. Nelson's report dealt with the many problems facing the industry with emphasis on the regulatory aspects. In particular, contacts with the National Highway Traffic Safety Administration (NHTSA), American Association of Motor Vehicle Administrators (AAMVA), Vehicle Equipment Safety Commission (VESC) and various states were covered. Changes and proposed changes to Standard 105-75 (Hydraulic brake systems) and Standard 121 (Air brake systems) were mentioned. Perhaps the most important work was that concerning Docket 1-4 which the NHTSA entitles "Brake Shoe and Pad Assembly." We have referred to this as the replacement brake lining standard.

Information had been requested of NHTSA concerning dimensions, loading, weights, etc. on domestic passenger cars for the purpose of trying to classify duty conditions with some parameters such as horse power per square inch of swept area. The purpose was to cut down on the number of tests to qualify replacement linings regardless of whether a vehicle, dynamometer or friction test machine was used. The NHTSA advised that they would not gather this information but would continue on with research to develop a "more practical approach to the brake lining standard."

Mr. Nelson discussed the new defect notification requirements proposed by the National Highway Traffic Safety Administration. These requirements are in keeping with Public Law 93-492 which extended the requirement on defect notifications to equipment manufacturers. These requirements had formerly been on vehicle manufacturers only. In particular, Mr. Nelson expressed concern with the proposed letter that was to be written to NHTSA on recommendation of the Quality Control Sub-Committee. That draft letter suggested that since vehicles and other equipment had eight year notification requirements and tires had a three year notification requirement, that we would like brake linings to be considered in a category similar to tires. Brake linings and tires are consumable items which are expected to be used as the car is on the road. Mr. Nelson felt that grouping brake linings with tires for purposes of reducing the notification requirements from eight years to three years might bring on another problem. That is, the tire manufacturers are required to keep records of the individual purchaser of all replacement tires. He felt that we would be better off with the eight year notification requirement if a three year notification requirement meant that we would have to keep these records of the first retail purchaser. Mr. Drislane was told to relay this concern to the Chairman of the Quality Control Sub-Committee. (Subsequent to the meeting, it was decided not to send this letter).

Mr. Nelson covered various changes that had been made in Standard 121 (Air brake systems). Mr. Nelson was questioned as to whether the proposed changes for Standard 121, which were in the Federal Register on June 6, 1975, would be adopted. This included an increase in the 60 MPH stopping distance to 277 feet. Mr. Nelson indicated that he thought this change would be adopted.

Questions arose concerning Mr. Nelson's discussions with Mr. Hutton in Minnesota. Mr. Nelson indicated that he felt some of the proposals by Mr. Hutton were fairly far out. It could be inferred from one of the items in the Minnesota proposals that if a drum was turned, the vehicle user would have to reduce highway speed. Mr. Nelson was hopeful that Minnesota would adopt the V-3 regulation.

Upon motion duly made, seconded and unanimously passed it was

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

In addition, the Directors expressed their thanks to Mr. Nelson and his committee for work well done.

QUALITY CONTROL SUB-COMMITTEE REPORT

Mr. Drislane read the report which was prepared by Mr. John Easton of the Quality Control Sub-Committee. See Exhibit 7.1

Mr. Easton's report indicated that the Committee Members were working on an outline and overall theme for finalizing a quality control package. Also mentioned was Public Law 93-492 and the proposed implementing regulations published in the Federal Register on May 6, 1975. Mr. Nelson had covered the committee's comments concerning these regulations on equipment manufacturer defect notification requirements.

Upon motion duly made, seconded and unanimously passed it was

RESOLVED: That the report of the Quality Control Sub-Committee be accepted as written.

ASBESTOS STUDY COMMITTEE REPORT

Mr. Drislane read the report for the Chairman, Mr. I. H. Weaver. Please refer to Exhibit 9.

Mr. Weaver's report expressed concern on the accusations that have been pressed against the industry concerning the asbestos standards. He reviewed some of the activities of the regulatory agencies over the past year. The last four paragraphs in Mr. Weaver's report aroused some controversy. One director suggested that the last four paragraphs be deleted.

There is a serious question as to whether the OSHA 2 fiber per cc limit (which is to be effective July 1, 1976) can be met by friction material manufacturers. Mr. Weaver indicated in his report that installers of friction material are now coming under the surveillance of Dr. Selikoff and other proponents of stronger regulation. Several members brought up the point that even with the regulations there is a great difficulty in getting labor to help in compliance. Even when it is written into the law and instructions are placed in the work place the working people do not cooperate.

Counsel was questioned as to the contents of this report where Mr. Weaver indicated that he did not see any justification for a change in the attitude of the regulatory agencies. It was stated that this was Mr. Weaver's viewpoint. Legal Counsel stated that this is not a legal matter and does not expose the Institute. It was questioned whether sections of this report as written could in any way harm the Institute. Legal Counsel indicated that this was not the case.

Upon motion duly made, seconded and passed, with five affitmative and two negative, it was

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

At the March 13, 1975 Meeting of the Board of Directors, the Secretary was advised to contact the Asbestos Information Association (AIA) with the idea of discussing possible financial assistance to the Association. Mr. Drislane wrote Mr. Mereness, Secretary of AIA after the meeting and had just received a reply. In Mr. Mereness' reply he indicated his appreciation and that of his Executive Committee for the offer by the Institute. However, the Association felt the best way to support the AIA was by individual members becoming members of the Asbestos Information Association. He indicated the general fee structure for membership in the AIA.

Mr. Moalli stated that the AIA was of great help to our industry. He indicated that Raybestos was considering a survey on the health history of workers in one of their plants. They, as an individual company were sponsoring and paying for a survey which could be a help to all industry. He indicated that it would be better if industry participated in the activities of the Asbestos Information Association to support similar types of work. He felt that the Assocaition did need the support of our members.

Mr. Drislane displayed some posters that had been sent by Mr. Mereness of the Asbestos Information Association. These posters had been received at Innisbrook. These posters had hints such as "If you don't smoke now, don't start. If you do smoke quit." and "Vacuum dust spills--never dry sweep." There were others to help deliver the warning to workers concerning the asbestos dust problem. A point that has been raised several times is that the workers should be advised of the seriousness of the problem. These posters are an assist in getting this message across. It was suggested that participation in the Asbestos Information Association as members would help friction materials manufacturers with the asbestos problem.

The Secretary was advised to send a copy of Mr. Mereness letter of June 12, 1975 to the membership, indicating the AIA's invitation to have them join their association.

At this point it was stated that the Asbestos Study Committee had passed a resolution as follows: "That the Committee requests guidance from the Board of Directors concerning the problem of the two fiber/cc limit and the lack of reliability of the membrane filter method for measurement of fiber counts." The Asbestos Study Committee members were concerned that while the membrane filter technique is the only method now available for measuring asbestos concentrations it is a most unreliable tool for enforcement of the two fibers/cc limit. In searching for guidance for the Committee one Director stated that our objection to use of this method for enforcement would not be constructive. It would just stir matters up without providing an alternative. Some regulatory authorities are receptive where suggestions are made for improvement. Simply indicating our dissatisfaction with the membrane filter method for enforcement might be considered as a negative attitude.

A Director stated that the hygienists will use common sense and realize the fallibility of the membrane filter technique. It is fairly well known in industry and government that this technique is fallible. While the directors expressed concern over the use of this as an enforcement tool, they do not feel that any Institute position should be expressed to OSHA concerning its use. It was felt that those enforcing the OSHA relations are aware of the disparity in results using this technique.

At this point Mr. Join of the FEMFM indicated that work had been done in Europe concerning sampling and counting. He said that his asbestos association Chambre Syndicale de l'Amiante (France), had an expert working for the association in the sampling and counting area. Members exchange slides and see how the counts come out. He is waiting for a report on this study. It was suggested that there is no other means of measuring the asbestos concentration and it is most likely OSHA will stay with this method regardless of any input from the Institute or others.

Mr. Moalli presented a movie which had been shown in Great Britain by Granada TV entitled "Killer Dust--A Standard Mistake?" This movie had interviews with Drs. Holmes and Lewinsohn of TBA, and Dr. Selikoff of Mount Sinai. They discussed data on workers done several years ago that resulted in the 2 fibers/cc limit. A more recent review of data by Dr. Lewinsohn indicated to Dr. Selikoff that the 2 fibers/cc limit might not be satisfactory. The controversy between Dr. Selikoff and Dr. Lewinsohn was shown in this film. The argument centered on interpretation of the statistics. It was recommended that the movie be shown to the membership.

The Secretary brought up for discussion the fact that a Congresswoman from New Jersey (Mrs. Millicent Fenwick) has proposed legislation for the sale of Chrysotile asbestos from the national stockpile. Some individual asbestos users and the Asbestos Information Association supported Mrs. Fenwick in this legislation. The purpose of the legislation is to help industry reduce unemployment brought on by the asbestos shortage. The number of tons that might be released is about 10,000. It is not felt that this is really significant but in any case its release cannot hurt.

The Secretary was directed to write a letter to Mrs. Fenwick in support of this legislation.

ANNUAL MEETING COMMITTEE

Mr. Drislane read the report for the Chairman of the Annual Meeting Committee, Mr. Barton. See Exhibit 14.

In summary, the report recommended a return to Innisbrook in June 1976, and if that was not satisfactory, the Phoenix-Scottsdale area.

Upon motion duly made, seconded and unanimously passed it was

> RESOLVED: That the report of the Annual Meeting Committee be accepted as written.

HISTORICAL SALES REPORTING

The Secretary read a report on Historical Sales which is Exhibit 13. In essence, participation was good with 15 of 19 members reporting. The reporting has been moved to a quarterly basis as of March 31, 1975. (This was decided at the Board of Directors Meeting on March 13, 1975). Immediately prior to the meeting, the accountants advised that the March 31 report was ready and would be distributed to the membership.

At this point, the subject of listing those reporting in each category was brought up. At the present time, the names of the companies reporting in at least one category are listed at the bottom of the report, and the number of companies (but not the names) reporting in each particular category also is listed, e.g., X number of members reported brake linings, Y number of members reported brake blocks, etc. It had been suggested that the names of the members reporting in each of these categories also be listed, so that the composite sales figures in each category will be more meaningful. The objection to listing the members reporting in each category is that the Institute must be careful if sales data is passed out to members. It is apparent that if only two members were reporting in a category one member would know the quantities of the other reporting member. At a level of three reporting, one might get a pretty good handle. At four and above the data probably could not be broken down to individual members. Legal Counsel was queried concerning this problem. He indicated that there should be no problem if at least four were reporting in each category.

Upon motion duly made, seconded and unanimously passed it was

> RESOLVED: That the Board of Directors recommends that the Historical Sales Report list the names of those reporting in each category when there are at least four reporting in that category.

Further discussion took place concerning the availability of this data to outsiders. Counsel indicated there is some authority that economic data of this nature should, under certain circumstances, be made available to outsiders where a non-member can show economic harm from not having access to data of this type.

INSTITUTE DEVELOPMENT COMMITTEE REPORT

Mr. Conway, Chariman of the Institute Development Committee submitted this report. Please refer to Exhibit 10.

In Mr. Conway's report he covered suggested changes in the Constitution and by-Laws, contact with the Federation of European Manufacturers of Friction Materials (FEMFM), a survey on Salesman Compensation, and a review of the historical sales reporting procedure. He also covered our contact with the Asbestos Information Association and a recommendation for producing a lined shoe catalog.

Several of these items were covered in earlier sections of these minutes. For example, see Mr. Join's report to the Board of Directors, and Historical Sales Reporting in the pages immediately preceding this section of the minutes. Also the Institute established contact with the Asbestos Information Association, and the Data Book and Technical Committee studied the lined shoe catalog.

In particular the Institute Development Committee's report centered on changes to the Constitution and By-Laws. Legal Counsel had reviewed the various suggestions for changes and indicated that he could find no problem with changes to the following: Article IV, concerning meetings on the fourth Wednesday of July, October, January and April. Article VI, concerning sending monies to the Treasurer. Article VII, meeting on the third Wednesday of June. Article IX, concerning Regional Members with the same rights as Active Members paying the same annual fees as Active Members. Counsel indicated that amendments to these four articles would be up to the membership. However, he stated that a rewrite was called for as to Article III of the Membership section of the Constitution. Counsel indicated that he would like to review this particular section of our Constitution and perhaps suggest changes before it is submitted to the Membership. Counsel was directed to do so.

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

RESOLVED: To accept the report of the Institute Development Committee as written.

Next, the Directors reviewed the recommendations on Salesmen Compensation. Originally the Institute Development Committee had turned down the idea of the Institute sponsoring a survey on salesmen compensation. At the March 13, 1975 meeting of the Board of Directors, the Committee was overruled and the President was directed to set-up a Compensation Study Committee which would recommed steps to be taken to implement such a survey.

After considerable discussion, a show of hands was called for as regards Directors' opinion on conducting such a survey. Four Directors indicated they favored such a survey. Three Directors indicated that they were opposed. Rather than putting this in the form of a resolution it was suggested that the survey on Salesmen Compensation be presented to the Membership for their consideration.

FIELD REQUESTS FOR CATALOGS

This subject had been discussed at earlier meetings. Upon recommendation of the Board of Directors the Secretary asked Judge Kennedy for an opinion as to whether we could refuse to send catalogs to outsiders requesting them. Judge Kennedy stated that we could either charge a nominal fee to cover our handling and distribution of these catalogs or we could suggest the requester contact members who could make these catalogs available. Current Legal Counsel concurred in Judge Kennedy's recommendations stating that we could either send catalogs out at a nominal fee or suggest that those requesting catalogs contact the members for the catalogs.

INSTITUTE INVOICING FOR PRINTS

The Secretary advised that he had many orders for one and two copies of prints. These copies of prints cost the members $.75 each. It is a nuisance to the Institute Office to invoice for $.75 and $1.50. Also the members who must provide purchase orders and receiving reports are also mired in paper work for these nominal charges. It had been suggested that we provide these prints on a no charge basis to the members up to a certain quantity. The Secretary suggested providing up to four prints (or $3.00 worth) to members on an individual order on a no charge basis. Another suggestion was made that records be kept and that members be invoiced quarterly for their prints. The Secretary indicated that this would still entail considerable paper work.

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

RESOLVED: That the Institute Office would make up to four prints available per order to members on a no charge basis.

In clarification of this resolution, orders of five prints and over (which cost from $3.75 and up) will be billed to members as has been the practice in the past. The Secretary indicated that he would make this print policy uniform for Active Members, Regional Members and Licensees.

TRADE ACT OF 1974

Mr. Simon had secured copies of a breif summary of the Trade Act of 1974. This subject had been added to the agenda at his request. This act concerns trade negotiating authority, escape clauses, anti-dumping provisions, and countervailing duties. Mr. Simon stated there is a considerable amount of friction material coming into this country. He stated that he had no objection to foreign materials as long as the country exporting is open up to exports from the United States. He indicated that some of the South American countries exporting to the U. S. have high tariffs to prevent Americans from exporting to their country. He feels this is unfair, and that this problem will become more of an issue as more material comes into this country.

Several members indicated this is a complex problem. Some of these countries are receiving subsidies from their government in the form of tax credits for exports. These in effect help the foreign manufacturer export his materials to the United States. At the March Meeting of the Board of Directors a problem had been brought up concerning the costs of complying with regulations that domestic manufacturers face from OSHA and EPA, while manufacturers outside the United States are able to manufacture their materials at lower cost since they are not regulated. This is another advantage that foreign manufacturers have in competition worldwide.

Institute Members have a right to let their views be known on their differences with tariffs. Should these differences be brought to the Government's attention by individual companies? Would there be more impact if the Institute were to bring these problems on differences to the attention of the government? Some members indicated that they were receiving considerable information concerning tariff negotiations and the problems with countervailing duties. One member indicated that he would send in information to the Institute Office concerning the Trade Act for distribution to the Membership. No action is planned by the Institute concerning the Trade Act of 1974 at this time.

CONFIDENTIAL CATEGORY FILING

At the March 13, 1975 Meeting of the Board of Directoss questions arose concerning confidential category filing for fee formula purposes. In particular, some Directors felt that there was no reason to have this information confidential. The only reason for having it confidential would be to protect a member who is not reporting his categories properly. At that time a resolution was passed: "That the confidential nature of the category filing for fee formula purposes would be referred to Legal Counsel."

Legal Counsel advises that no problem would develop if category filing were made known to the Members.

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

RESOLVED: That category reporting details for fee formula purposes would be made known to the Membership.

EXECUTIVE DIRECTOR SALARY

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

RESOLVED: That Mr. Drislane's salary be increased to $27,500 annually, effective July 1, 1975.

Mr. Gatke was directed to advise Mr. Drislane of this increase.

DISC BRAKE SHOE DRILLING PATTERNS

Mr. Simon pointed out that when Chrysler Corporation released FMSI #7019A lining and #7019-D86, the material was originally released as a bond molded segment without drilling. Subsequent to this release by Chrysler Corporation, Aimco made available a drilled version of the D86 shoe. After Aimco had made this release Chrysler Corporation then released a different drilling pattern than the Aimco shoe for Dodge Truck. It has been Institute policy to recognize only the OEM pattern. In this case the Institute released the shoe drilling shown for the Dodge Truck. In the meanwhile Aimco is still selling alot of their drilled version.

In this particular case Mr. Simon's company had ordered shoes and had the lining drilled according to our specifications. The linings and shoes would not assemble. This problem had earlier been studied by the Data Book and Technical Committee, at its November 13, 1973 meeting. At that time it was decided that if Aimco and others were going to produce drilled versions of disc brake shoes for which the OE version is undrilled, they will simply have to take their chances. The Institute has no objection to Aimco or others using letter suffixes on the shoes, but the Institute will not assign suffixes for these drilled versions of disc brakes shoes.

FMSI 04570

While Mr. Simon was suggesting that assignments should be made for the Aimco drilled versions, Mr. Moalli did not concur. Mr. Moalli stated that: (1) these are not original equipment releases. (2) Further we have not indicated shoe drilling whether it was drum or disc in the past. (3) Further, if the Institute were to set up numbers based on Aimco's drilling patterns we would be setting up Aimco as a standard. Mr. Moalli felt that if we were to take such action, it would put Aimco Industries in a position above others who might decide on drilling for replacement market shoes. The Directors supported the Data Book and Technical Committee position of not providing FMSI assignments to parts made by a replacement market supplier such as Aimco.

The Institute assignments will continue to be based on original equipment releases.

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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: 4:00 P. M.

E. W. Drislane
Secretary