MINUTES OF ANNUAL MEETING

of the

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

Wednesday and Thursday, June 26, and 27, 1974, 8:30 A. M.
at
Hilton Head Inn, Hilton Head Island, South Carolina

MEMBERS PRESENT	REPRESENTATIVES
Abex Corporation	R. Cutler
Auto Friction Corporation	Stuart Comins
Bendix Corporation Friction Materials Division	F. E. Messier
Brassbestos Manufacturing Corp.	W. Simon
Carlisle Corporation Molded Materials Division	E. R. Zacharias
Gatke Corporation	F. T. Gatke
General Motors Corporation Delco-Moraine Division	R. E. Kettering (Proxy for Mr. Kick)
Maremont Corporation Grizzly Brake Division	J. W. Greenen
H. K. Porter Co. Thermoid Division	E. L. Werner
Raybestos-Manhattan, Inc.	D. E. Gow
Royal Industries Brake Products	D. Ogilvie
S. K. Wellman Corp.	J. E. Clegg
Wheeling Brake Block Mfg. Co.	L. Burgess
World Bestos Company, Division of the Firestone Tire & Rubber Company	L. E. May

OTHERS PRESENT	
Bendix Corporation Automotive Aftermarket Operations	J. H. Kelly W. J. Cooney
Heavy Vehicle Systems Group	R. Elliott R. Kaiser
Gatke Corporation	H. Boyle
General Motors Corporation Delco-Moraine Division	J. Hovorka
Maremont Corporation Grizzly Brake Division	D. Carlson W. Knight A. Laus
H. K. Porter Co. Thermoid Division	J. C. Black
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 Mfg. Co.	G. Stratton
World Bestos Company, Division of the Firestone Tire & Rubber Company	R. J. Alleman
Friction Materials Standards Inst.	E. W. Drislane
Stickles, Kennedy & Van Steenburgh	E. K. Kennedy

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NOT PRESENT

Chrysler Corporation - Chemical Division
Forcee Manufacturing Corporation
Lasco Brake Products Corp., Ltd.
Reddaway Manufacturing Co., Inc.
Thiokol Chemical Corporation

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

MINUTES OF PREVIOUS MEETING

The Minutes of the Meeting held June 27 and 28, 1973 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 27 and 28, 1973 be accepted as distributed.

PRESIDENT'S REPORT

Mr. F. T. Gatke, President, opened the meeting with a report on the Institute's progress during the past fiscal year. See EXHIBIT 1.

Mr. Gatke reviewed the activities of the Institute during the past year including such items as the honoring of Al Daly, membership changes, committee activity, the timeliness of the Technical Catalogs, publication of the Clutch Facings Catalog and the booklet concerning the Institute, and start-up of the Institute Pension Plan.

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. A. A. Laus, Treasurer, read the Treasurer's Report which included the following Exhibits:

EXHIBIT 3.1 - Balance Sheet projected to June 30, 1974.
EXHIBIT 3.2 - Income Statement for the 1973-74 fiscal year.
EXHIBIT 3.3 - Retirement Fund - H. G. Duschek.
EXHIBIT 3.4 - Twelve Year Financial Highlights.

Mr. Laus pointed out that the Treasurer's Report was made up during the first week of June 1974 and that final June 30, 1974 figures had to be estimated based on the anticipated June expenses and year-end accruals.

Among the highlights, Mr. Laus pointed out that an excess of income over expenses of about $10,000 was projected for 1973-74, with over $8,000 of this due to the Interest Income which is not used in developing the budget. Over

Relative to that section of the report on disc brake shoe number assignments, the Chairman advised that the Board of Directors had returned the problem of disc brake shoe drilling pattern identification to the Committee. The Committee had recommended use of the lining-shoe assembly number (for example 779-D-36, or 779A-D-36) to indicate drilling patterns for the shoe. The Directors felt there should be some suffix or number identification to indicate the disc brake shoe drilling (possibly D-36, D-36A, etc.). The Committee will re-study this problem.

However, where the shoe drilling variation is strictly by the replacement market--not for O.E. purposes--such changes will not be considered for number or suffix assignment.

A question that arose at the Director's Meeting concerned heavy duty shoes. It had been indicated that block numbers (such as 4515) were being used to identify heavy air brake shoes. It was suggested that Aimco be invited to send someone to the next meeting of the Data Book and Technical Committee for their imput on both heavy shoes and on disc brake shoe numbering.

Mr. Moalli pointed out the stability of Catalog prices over these past years as evidenced by a review of the twelve year financial summary EXHIBIT 3.4.

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

RESOLVED: That the report of the Data Book and Technical Committee be accepted as read.

ASBESTOS STUDY COMMITTEE REPORT

A timely report was not received for the Asbestos Study Committee. (In early July a report was received which is shown as EXHIBIT 14.) The Secretary discussed several items with the Committee Chairman prior to the meeting and it was recommended that these items be brought to the attention of the Board.

The EPA recently published a report on waste water effluents as conducted by Sverdrup and Parcel. Most of the Members and Non-members in the friction materials business were included in this report. The Secretary had requested copies from EPA and intends to distribute copies to the Membership after receipt from the EPA.

As regards the EPA Emissions Standard, the EPA is considering a change from its work practices oriented "no visible emissions" standard towards numerical standards. This is currently difficult with the lack of reliable equipment for measuring airborne asbestos concentrations.

The Secretary pointed out that in any OSHA revisions of the standard for asbestos in the work-place, the pressure is towards stricter standards. Dr. Selikoff, for example, has stated that the only safe concentration is zero fiber per cc. The present 5 fibers per cc and the future 2 fibers per cc are realistic for friction material manufacturers and the industry should plan on these limits being no less strict in the future. Still further, in any re-writing of the standards there is apparently a movement towards work practices and possibly away from the numerical standards.

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

RESOLVED: That the Secretary's comments be accepted as the Asbestos Study Committee report in lieu of a formal report.

OTHER AUTOMOTIVE ASSOCIATIONS

At the Board of Directors Meeting on June 25, 1974, the Institute's relationships with various other automotive organizations were discussed. Resolutions were passed by the Board which specifically rejected proposed relationships with these organizations.

The Motor & Equipment Manufacturers Association (MEMA) had suggested that economies of operation might exist if the FMSI came under their umbrella and administered their Brake Parts Manufacturers Council. The Ignition Manufacturers Institute had made preliminary inquiries as to whether Mr. Drislane might administer their Insitute. The Asbestos Information Association, N/A had requested that the FMSI be considered an "affiliated association". While the Directors indicated a high regard for all these associations, formal association was turned down.

BOARD OF DIRECTORS REPORT

At the Board of Directos Meeting on June 27, 1973, the following resolutions were passed:

1. That the budget of $74,230 for the fiscal year starting July 1, 1973 be accepted.

2. 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.

3. That the necessary committee 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.

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

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

During the year, the Board of Directors accepted the resignation of Standco as an Active Member. The Directors terminated the Membership of Galfer African Co. (Regional Member), Cadillac Steel Products Co. and Grinnell Stamping Co. (Licensees).

The Board of Directors recommended for Regional Membership, Francisco Stedile, S.A., and Jurid Werke, GmbH. They voted Wisconsin Gasket into Licensee Membership.

At the Board Meeting on June 25, 1974, The Board approved the reports of the Officers and Committee Chairman--the same reports read to the Annual Membership Committee. In addition they recommended that Industrias Tecnicas Automotrices de Puebla, S.A. be admitted to Regional Membership.

The Board voted to continue the historical sales program for 1974-75. There were no capital expenditures approved for 1974-75. A contribution of $2,400 was voted to be transferred to the savings account for Miss Duschek's retirement fund. Mr. Drislane's salary was increased. The Board took no action as regards affiliation or association with other automotive trade associations.

The minutes of the Board of Directors Meetings are available to the Delegates and Alternates on request.

At the conclusions of this report. A suggestion was made that the report on the Board of Directors activities be made prior to the Committee Reports to the Members. In some cases Committee Reports had been delivered on which suggestions, changes or other action had been taken by the Board. These actions were not known until after the formal presentation of the individual committee report. This suggestion was considered constructive, and in future years it will be planned to make a report on the Board of Directors activities to the Membership prior to the Committee Reports.

THE NOMINATING COMMITTEE REPORT

Mr. Simon, Chairman, reported that there were four Board of Directors terms which were expiring this year:

J. W. Greenen, Maremont Corporation
F. T. Gatke, Gatke Corporation
F. E. Messier, Bendix Corporation
E. R. Zacharias, Carlisle Corporation

After due consideration and in accordance with the requirements of the Institute's Constitution, the Chairman presented the following candidates for election to the Board of Directors:

J. W. Greenen, Maremont Corporation
F. E. Messier, Bendix Corporation
E. R. Zacharias, Carlisle Corporation
J. E. Clegg, S. K. Wellman Corporation

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 four 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 three Directors whose terms have not expired, the Board now consists of the required seven Members.

In a response to a question, the Chairman indicated that the Board now consisted of these four Directors, plus the following three whose terms are due to expire on June 30, 1975:

D. E. Gow, Raybestos-Manhattan, Inc.
R. L. Cutler, Abex Corporation
W. Simon, Brassbestos Manufacturing Corporation

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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 11:00 A.M.

E. W. Drislane
Secretary