

MINUTES OF MEETING

of the

BOARD OF DIRECTORS

Tuesday, June 15, 1976, at 8:30 A.M.

at

Innisbrook, Tarpon Springs, Florida

PLAINTIFFS
EXHIBIT

1888-0

PLAINTIFF'S
EXHIBIT

WV-06101

DIRECTORS PRESENT

J. H. Greenen	Haremont Corporation
F. E. Messier, Vice-President	Bendix Corporation
R. E. Moalli	Raybestos-Manhattan, Inc.
D. R. Zacharias	Carlisle Corporation
S. S. Conway	Abex Corporation
G. A. Carrigan	C. E. Wellman Corporation
W. M. Sleeth	Royal Industries Brake Products

OFFICERS PRESENT

W. Simon, President	Brassbestos Manufacturing 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
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GUEST PRESENT

E. Join	Federation of European Manufacturers of Friction Materials (FEREM)
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Mr. Simon, President, called the Meeting to order at 8:30 A.M.

MINUTES OF PREVIOUS MEETINGS

The Minutes of the Meetings held June 17-18, 1975 had been distributed. No corrections were suggested. Upon motion duly made, seconded, and unanimously passed, it was:

RESOLVED: That the Minutes of the June 17-18, 1975 Meetings be accepted as written.

PRESIDENT'S REPORT

Mr. Simon reported on the activities of the Institute over the past fiscal year. In particular, he discussed the response that the Institute made to OSHA concerning the proposed 0.5 fibers/cc limit for occupational

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exposure to asbestos. In addition, Mr. Simon mentioned the Asbestos Seminar that was held by the Institute in December, 1975, the work of our Data Book and Technical Committee, and our liaison with the Federation of European Manufacturers of Friction Materials. Please refer to Exhibit I in the reports for the June 1976 Meeting.

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

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

MEMBERSHIP COMMITTEE REPORT

The report of the Chairman of the Membership Committee, Mr. Greenen, was read. In essence, he reported that there was an increase of one regional member and one licensee during the past year. There were no resignations or withdrawals from any class of membership. Please refer to Exhibit II in the reports of the June 1976 Meeting.

On completion of the report the Chairman advised that an application for active membership had been received from Scan-Pac Manufacturing Inc. The Secretary had earlier sent background information on Scan-Pac to all members. The Membership Committee recommended to the Board of Directors that the Scan-Pac application be accepted. Scan-Pac is a manufacturer of friction materials using the Johns-Manville sheeter material as the basic ingredient for its product. Scan-Pac finishes this stock to various industrial sizes. Scan-Pac does not use the copyrighted FMSI numbers in marketing their products. The application from Scan-Pac was in good form.

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

RESOLVED: That the Board of Directors recommends to the Membership that Scan-Pac Manufacturing, Inc. be admitted as an Active Member of the Institute.

At this point, the subject of the Bendix acquisition of all the outstanding stock of Jurid Werke, a Regional Member, was discussed. Earlier the Secretary had sent the Board of Directors a memo concerning the Bendix Corporation which had acquired all the outstanding stock of Jurid Werke. Bendix felt that Jurid Werke should not also have to pay Annual Fees for the rights of membership since Bendix was paying the Annual Fee. Counsel requested that this subject be tabled until after lunch, so that he could get further background on the question.

After discussion of possible precedents with domestic member acquisitions of domestic affiliates it was pointed out that domestic membership rights were available to the acquired domestic subsidiary for the one fee paid by the parent. There had not been any similar precedent for a domestic acquisition of a foreign member. The Constitution and By-Laws did not specifically cover this situation. Counsel stated that the question was: "Does the domestic parent's membership cover the foreign subsidiary?"

Differences between the acquisition of a domestic subsidiary and a foreign subsidiary by a domestic parent were discussed. A domestic subsidiary prior to acquisition could vote. In response to a question it was indicated that

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indicated some interest in an industrial friction material catalog, there were also comments to the effect that it would take an awful lot of man hours to gather the data, and there would be a question as to the reliability of the data gathered.

Mr. Moalli concluded that the results of the survey were interesting and informative but didn't provide an answer. Mr. Moalli stated that this is a preliminary report to the Board of Directors on the questionnaire results only. However, neither he, as Chairman of the Committee, nor the Committee itself is prepared at this time to make a final report to the Board of Directors. The results of this questionnaire will be reviewed at the next Committee meeting after which he will report to the Board.

Several Directors wished to express their thanks to Mr. Moalli and his Committee for their efforts in the past year.

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

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

BRAKE PERFORMANCE STUDY COMMITTEE REPORT

Mr. Nelson, Chairman of the Brake Performance Study Committee, reported on the activities of the Committee over the past fiscal year. Please refer to Exhibit VII in the reports for the June 1976 Meeting.

Mr. Nelson reported on the write-ups of FMVSS 105-75 (Hydraulic Brake Systems) and FMVSS 121 (Air Brake Systems). He also discussed the meeting that he and Mr. Drislane had with the NHTSA in Washington and at the Winchester plant of Abex Corporation. Further review was made of activities as regards Docket 1-4 (Replacement Brake Lining Standard). The sole activity in this area is research being done by Professor Cook, at the University of Illinois. Further contact will be made with Professor Cook. Also, Mr. Nelson discussed the AAMVA Equipment Approval program and he noted that by January 1, 1978 many members will be recertifying their linings thru AAMVA at a considerable cost. Also mentioned were activities and changes at the Vehicle Equipment Safety Commission (VESC), and the regulations put into effect by the State of Minnesota. In essence Minnesota went for Regulation V-3.

A major item for the Brake Performance Study Committee was a review of the work done by the Quality Control Sub-committee. In March 1976 the Quality Control Sub-committee submitted to the parent Committee their recommendations in the Quality Control area, which took the form of a booklet entitled a "Quality Control Program for the Friction Materials Industry."

When this was reviewed at the Brake Performance Study Committee meeting there was considerable controversy as to the Scope section and the wording of the text. Discussion centered on the Scope section, and whether it inferred a minimum quality control program as some contended, or whether this was appropriate wording, as others contended. The feeling expressed by some members was that the entire quality control program as such might be considered a minimum requirement for members. They felt

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that government regulators or others might allege that a member who did not perform the tests indicated in the program was not giving sufficient emphasis to quality control in his factory. The Secretary stated that when the Committee prepared the booklet they were quite aware of the possibility of such allegations and tempered the words accordingly. In particular they avoided the use of the word "must" but did use the words, "should" or "could".

The Committee decided that a poll would be taken to get Committee reactions as to the wording of the Scope section and other sections of the program. These answers are now being sent to the Institute Office for compilation after which a summary will be sent back to the Committee for their review.

It was pointed out that Legal Counsel was present at both the Quality Control Meeting and at the Brake Performance Study Committee Meeting. (Mr. Mike Cole of the Clapp & Eisenberg office.) This particular concern was expressed to Mr. Cole and he did make some specific suggestions at the Quality Control Meeting. Because of these considerations, when the polling of committee members is complete and a new program drawn up, a draft will be sent to Legal Counsel for review before it is issued to anyone. It was suggested that Committee members list their areas of concern so that Counsel can consider them.

The President commended Mr. Nelson and his Committee for their activities during the past year.

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

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

QUALITY CONTROL SUB-COMMITTEE REPORT

Mr. John Easton, Chairman of the Quality Control Sub-Committee submitted the report. Please refer to Exhibit VII-1. Mr. Drislane read Mr. Easton's report.

In summary the report stated that the Committee had met, completed their assignments and submitted a booklet entitled "A Quality Control Program for the Friction Materials Industry." This was submitted to the parent Brake Performance Study Committee in March 1976. The Quality Control Sub-Committee has completed its assignment pending approval of the parent committee.

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. Harry Wagner, Chairman of the Asbestos Study Committee submitted his Committee's report. Please refer to Exhibit IX. The Secretary read Mr. Wagner's report.

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Mr. Wagner discussed the proposals by OSHA for a reduction in the permissible exposure to airborne asbestos fibers to the 0.5 fiber/cc level. He discussed the Seminar that the Institute sponsored in December 1975 to help emphasize the urgency of the problem as well as to assist the members in coping with the 2.0 fiber/cc limit that is due to take effect on July 1, 1976. Mr. Wagner mentioned the cooperation of the Institute and its Asbestos Study Committee with the Asbestos Information Association. He mentioned specifically the very professional job that the AIA and their contractor the Weston Company did in preparing an industry response to OSHA.

Mr. Zacharias commented on this report and wished to point out the very fine job that the Asbestos Information Association and their consulting contractor did in preparing a response to OSHA. He commented specifically on the report that Dr. Hans Weill rendered concerning the medical aspects of the proposed changes in the OSHA regulations. Dr. Weill indicated that there is a threshold limit value (TLV). He also indicated that most of the "new" medical findings concerning occupational exposure to asbestos were really not new and he questioned their use to justify reduction in exposure levels to the proposed 0.5 fiber/cc level. Directors indicated that it was their hope that the proposed 0.5 fiber/cc limit would not become effective. A Director recommended membership in the AIA for friction materials manufacturers, in order to assist the AIA at this very critical time.

It was stated that another professional response to OSHA (other than AIA and Weston) was that submitted by Johns-Manville. A Director pointed out that Johns-Manville has a film that can help communicate the need for asbestos. Reference was made to Asbestos Research Council film entitled "Asbestos at Work."

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

RESOLVED: That the Asbestos Study Committee
Report be accepted as written.

FEDERATION OF EUROPEAN MANUFACTURERS OF FRICTION MATERIALS (FEMM)

At the conclusion of the discussion on asbestos, the President asked Mr. Robert Join of the FEMM if he could comment on developments in Europe.

Mr. Join described the make-up of the FEMM as a group of four trade associations: Italy, France, Great Britain and Germany. He indicated that the FEMM has given support and followed the work of the International Standards Organization (ISO). ISO is a working organization on procedures and equipment which the United States recognizes. The American National Standards Institute (ANSI) is the U.S. representative. The Society of Automotive Engineers (SAE) is a supporting group for ANSI.

The problem in Europe is that vehicle manufacturers object to standardization of replacement brake lining and contend that replacement brake lining should be the original equipment material. The FEMM would favor a small machine test for approval of replacement brake linings. The United Kingdom currently does not favor a small sample machine test. Germany could be considered in favor of a small sample machine. Currently

France and Italy have no particular restrictions on the use of replacement brake linings. The work that was being done with the aim of developing a small sample machine test could be wound up since the TC-22 of ISO had decided to wind up activities of its SC2/WG2 (a Sub Group) which was working on the classification for brake linings. The FEMFM of course would not like to see the work of the SC2/WG2 group wound up.

Mr. Join touched on the Economic Commission for Europe (ECE), a UN organization, and its Regulation 13. Regulation 13 could in essence allow the vehicle manufacturer to specify the replacement brake lining. It is conceded that Regulation 13 would be difficult to implement. The European Commission (EEC-Common Market) derived their Directive 320 from the ECE's Regulation 13 and have promoted this approach for replacement brake linings. The FEMFM has authorized machine testing to test correlation with vehicles on 12 brake lining tests. Four vehicles will be tested with 3 categories of lining. The material will also be checked on a small sample machine and a dynamometer to study possibilities of correlation.

Mr. Conway suggested that regulations affecting the European community could also affect the United States, since the United States recognized ISO. It was pointed out that 250,000 (about U.S. \$60,000) francs were budgeted by FEMFM for support of this technical work to check on correlation.

Mr. Join said that enforcement of Regulation 13 would be difficult even though the motor car companies are promoting the concept of OE only for replacements. He indicated that the ECE (UN group) promotes the concept of free trade. A problem is that the vehicle manufacturers are consulted by ECE, but the FEMFM was not formally accepted as a consultant.

A question was raised as to whether any ISO procedure or standard had been accepted by the United States? It was not felt that any as yet had been accepted. It was pointed out that while ISO is similar to SAE and ANSI in that they may write a standard, others implement the regulations. The struggle on quality levels for replacement, and the use of the vehicle, dynamometers or sample test machines for qualification is similar to that in the United States. A question was raised as to why were brakes and brake linings singled out and not other vehicle components. It is not known why, and European brake lining manufacturers would be more satisfied with a regulation similar to that used for tires in the replacement market.

Mr. Join moved to the subject of asbestos and the problems in Europe. He mentioned that Dr. Selikoff had been to Europe and reported on a paper that Dr. Rohl had given alleging that concentrations as high 20-50 fiber/cc had been reached in brake repair shops. Later in his discussions in Europe, he apparently reduced this to 0.25 to 4.0 fiber/cc.

Mr. Join stated that Dr. Rohl backed off on statements as to heavy concentrations of chrysotile asbestos in brake lining wear dust. However, he had emphasized that this affected about 900,000 workers in the United States. Obviously, Dr. Selikoff favored the new 0.5 fiber/cc level which is essentially a zero fiber limit.

There is a significant study going on in Luxembourg concerning the dose-response relationship between asbestos and illnesses attributed to asbestos. In general, the report indicated that there was no case of

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INSTITUTE COPYRIGHTS

The Secretary had earlier advised the Board of Directors concerning a recommendation made by Copyright Counsel, Shenier and O'Connor, concerning the Institute copyrights. Shenier and O'Connor ran a study in 1975 concerning the validity of the Institute copyrights and indicated that they were valid, and unauthorized use would constitute infringement. At that time Mr. O'Connor (of Shenier & O'Connor) felt the Institute had a strong right to a trademark with FMS and FMSI. The Secretary advised Mr. O'Connor that it might be difficult to establish a trademark of this nature because of the problem in getting Institute Members to use the symbol O to indicate that FMS and FMSI were registered trademarks. Mr. O'Connor replied to the effect that this would not be a significant problem, and that he still felt that FMS and FMSI could be registered as trademarks. Mr. O'Connor indicated that the applications for registration would cost about \$250 each. He felt that this would materially strengthen the Institute's copyrights. One Director stated that this was a sound suggestion.

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

RESOLVED: That Shenier and O'Connor proceed
with applications for registration
of FMS and FMSI as trademarks.

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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: 3:30 P.M.

E. W. Drislane
Secretary

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