3. Mineral Processing Facility" means any refinery, chemical plant, rubber plant, or similar plant where petroleum or other minerals or chemicals are processed, refined, extracted, or otherwise manipulated to produce goods, energy, or other chattels.

4. "CMA" means Chemical Manufacturer Association and any predecessor to that association or sucessors thereto.

5. "MCA" means Manufacturing Chemist Association and any predecessors thereto or sucessors thereto.

6. "NPRA" means National Petroleum Refineries Association and any predecessors thereto or sucessors thereto.

7. "TCC" means Texas Chemical Council, and any predecessors thereto or sucessors thereto.

S1089

not on list

8. "API" means American Petroleum Institute and any predecessors thereto or successors thereto.

"IHF" means Industrial Hygiene Foundation and any predecessors thereto or successors thereto.

"AIHA" means American Industrial Hygiene Association and any predecessors thereto or successors thereto.

Respectfully submitted,

READ, MORGAN & QUINN
909 Laurel Street
BEAUMONT, TEXAS 77704
(409)838-9941
Texas Bar No. 02456770

Joseph C. Blanks, P.C.
Lawyers for Plaintiff

CERTIFICATE OF SERVICE

I served a true copy of the above on all attorneys of record or registered ag
3/19, 1990.

92-00293

Manville Internal Correspondence

To **R.D. Batson** Date Sept. 28, 1988

From **H.B. Lewis** Brad

Copies File/Chrono

Subject **THE REFRACTORIES INSTITUTE**

The Refractories Institute is an industry association comprised of manufacturers of refractory products. It exists to provide a formalized means for identifying and promoting the critical issues which severely impact the refractories industry. Its function is primarily one of:

1) Developing refractories industry positions and knowledge about critical issues through an industry-directed committee structure.

2) Participating and cooperating with government, business, and industry groups on a federal, state, and local level in the interests of the refractories industry and the public.

3) Collecting, compiling, and distributing information with respect to matters relating to the refractories industry.

There are currently nine committees working within the Institute, and a brief description of each is as follows:

1) The Energy Committee constitutes a forum for the discussion of problems and the exchange of information relating to energy availability, utilization, and conservation in all phases of refractories manufacturing.

2) The Environmental Protection Committee deals with problems relating to the design, installation, and operation of equipment or other methods used to meet environmental quality standards, as well as the analysis, comment, and reporting of existing and proposed laws, rules, and regulations.

3) The Factory Operators Committee is concerned with developments, problems, and opportunities related to all aspects of refractories manufacturing from raw materials to finished products.

4) The Hazardous Substances Committee is responsible for following both current and proposed legislation and regulations related to hazardous substances, and analyzing and proposing changes to legislation and regulations.

5) The Industrial Relations Committee considers matters in the areas of human resources and labor relations.

H. B. Lewis to R. D. Batson on The Refractories Institute, with Its 1988-89 Plans and Budget (1988)
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6) The Packaging and Shipping Committee considers matters regarding the packaging and shipping of refractory products, keeping abreast of new methods and publishing the Packaging and Shipping Manual.

7) The page describing the Safety and Health Committee is missing; however, I presume this group stays informed of, and possibly sponsors, research concerning health and safety issues of interest to the Refractories Institute.

8) The Statistical Process Control Committee's purpose is to interface with consuming and supplier industry groups to identify SPC issues.

9) The page describing the Technical Advisory Committee is missing; however, I presume this group is concerned with issues of product development, quality control and other such technical matters.

The key developments to which the Institute must respond in the next three years are highlighted by the following:

1) Increased emphasis by NIOSH, OSHA, MSHA, and Congress on pulmonary diseases, respiratory protection for employees in the workplace, including weight restrictions on lifting and general safety concerns.

2) The presidential election and change of administration could initiate changes in trade policies and labor relations in general.

3) Increased legislative efforts directed at increasing minimum wage payments which will increase the general costs of manufacturing.

4) The continued pressures exerted by all end user industries on refractory suppliers for more statistical process control information and technical information.

5) The growing concern on all government levels for increased worker right-to-know regulations dealing with hazard communication and community right-to-know.

Additional major issues and risks impacting members are:

1) Quality of work life with emphasis on a freedom from injury in the workplace.

2) Resurgent public and news media concern about the environment and hazardous chemicals.

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3) Growing public and government concern over use and disposal of hazardous waste products.

4) Shrinkage of domestic refractories consumption based on tonnage.

This information was obtained from the Refractories Institute Plans and Budget 1988-1989 and The Refractories Institute Manual, both of which were obtained from Tom Winter, who is on the Board of Directors of the Institute and who maintains various files on the organization. He informed me that Manville has been an Institute member since at least the 1940's and that the Institute itself has existed from at least the 1930's.

Additionally, you requested information on Ian Higgins and Harbison-Walker. I have attached a copy of Higgins' biography from American Men and Women of Science. The only thing I know about Harbison-Walker at this point is that they are a refractories manufacturer and a member of the Refractories Institute. I will keep you informed as more information becomes available.

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92-00293

Manville Internal Correspondence

To J. Brown

August 31, 1988

From T.J. Winter

Copies R.A. Kashnow File

Subject THE REFRACTORIES INSTITUTE

RECEIVED
SEP 2 1988
LEGAL DEPARTMENT

The attached correspondence was sent by H.W. Fulton, Jr., Counsel for The Refractories Institute.

I would appreciate your comments as to the desirability of participating in this program after reviewing the correspondence.

TJW

:ckw

Attachment

Assoc Membership Orgs.
92-00293
00291

Our goal: to be your very best supplier

LAUBACH, FULTON & JESELNIK
ATTORNEYS AT LAW
SUITE 2510 ONE PPG PLACE
PITTSBURGH, PENNSYLVANIA 15222-5401
(412) 263-6700
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WRITER'S DIRECT DIAL NUMBER
(412) 263-6710

August 5, 1988

PERSONAL & CONFIDENTIAL

Mr. T. J. Winter, Operations Manager
Refractory Products Department
Manville Specialty Products Group
12999 Deer Creek Canyon Road
Littleton, CO 80127

Dear Tom:

Enclosed is the Confidential Report to the TRI Board of Directors from us as counsel concerning the meeting of TRI company counsel on July 14, 1988. This meeting was a success as it provided a full discussion of the matter concerning a possible industry-wide retrospective Cohort Mortality Study. As the result of these discussions it was recommended that TRI proceed to see what, if anything, is feasible. Dr. Higgins has requested for initial review purposes that he look at Harbison Walker's personnel records. I have contacted Harbison-Walker to see if they can make their employee records available for review. I am presently coordinating this with them and Dr. Higgins and will proceed to set up a meeting in Pittsburgh when satisfactory arrangements can be completed.

The group also explored the development of some cooperative defense plan to coordinate matters as had been done under the Wellington Fund concept. While no one felt a complex strategy like Wellington was possible, it was felt that efficiencies and benefits could be derived by setting up a mechanism to discuss third party litigation.

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The consent matter of having a defense counsel and defense coordinator meeting needs the comment of the Board. I would request that you advise me as to your willingness to approve such a meeting. This would be a meeting open to active members of the Institute and would be scheduled for late August or early September.

Should you have any questions or wish to discuss these matters further, please contact me.

Very truly yours,

Henry W. Fulton, Jr.

hw

Enclosure

Confidential Report on Attorneys Conference July 14, 1988

FROM: Henry W. Fulton, Jr. - Laubach, Fulton & Jeselnik

TO: Board of Directors

I. Employee Study Possibility

Counsel met in Pittsburgh and reviewed industry concerns with regard to considering whether the industry through TRI should commence to do a Retrospective Cohort Mortality Study of Refractory Manufacturing Employees to determine if there is any relationship between exposure to free crystalline silica and cancer.

It was the consensus of the counsel that an examination of records of various refractory manufacturers be made to determine if it were feasible to do a retrospective Cohort Mortality Study based upon the employee records presently available. It was also suggested that even in the event such a study appeared feasible that no study be commenced until all details, controls and parameters could be agreed upon to satisfy the needs of the industry. This would also include a review of such parameters with the refractory manufacturers insurance carriers and other appropriate parties. I agreed to proceed to work with Ian Higgins, M.D. to determine how this initial step could be done and to work out the details for a program to accomplish this.

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II. Cooperative Defense Considerations in Multi-Party Litigation

The matter of improving the defense mechanisms and achieving efficiency of time, experts and costs in handling third party asbestos/silica cases resulted in a suggestion that a meeting be scheduled of defense counsel and persons responsible for coordinating defense matters. It was the consensus that this could result in establishing efficient practices, cost saving strategies and making companies more aware of the scope of Plaintiff's claims nationally, yet still preserve individual companies rights and special positions in particular suits. It was recommended that a meeting be set to have defense counsel and defense coordinators meet to discuss methods and ways of more efficiently, effectively and less costly handle the defense of third party asbestos/silica claims. I agreed to explore this with the TRI officers, Executive Committee and Board to see if this could be accomplished.

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92-00293

THE REFRACTORIES INSTITUTE

PLANS AND BUDGET

1988-1989

Final Draft

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T A B L E O F C O N T E N T S

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PLANS AND STRATEGIES . . . . . II.

MAJOR END USER ASSOCIATIONS, FEDERAL AND STATE CRITICAL ISSUES . . . . . III.

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BUDGET PRESENTATION . . . . . VII.

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OVERVIEW AND OUTLOOK

Each year The Institute has the formal opportunity to review its role and its relationship to its members. While this review is a natural outgrowth of the strategic planning process, the events of the last year provided an unusual opportunity for a number of members to become more intimately acquainted with The Institute. The reason was the dues revision activities. Coincidental to these internal activities has been the reawakening of the many environmental forces in the country, and these latter activities have stimulated increased federal concerns for worker safety and health protection both in and out of the facility site.

The dues review activities had a number of positive results, and the strongest of these was the opportunity for The Institute to openly review its basic services and functions, and present each member the opportunity to determine whether to continue to pay for these services. As a result of this review, it became easier for some members to see how The Institute could provide additional service to that company. For other companies, it reaffirmed their reasons for involvement with The Institute.

Perhaps the results of this review will be of further help as the members are faced with new and very complicated regulations dealing with worker and community safety and health. As these new environmental initiatives arise and as new regulations are passed, it will mean just one more thing for management to deal with, to report on, and to be accountable for. The need to help clarify, and to help understanding these anticipated government actions will be one of the prime goals of The Institute over the next few years. There is a need to determine how this can best be accomplished.

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Also, The Institute's involvement in the total government process, while a standard part of all industrial and manufacturing associations, has never had a comfort factor within the Institute membership. While this might easily be explained away by a lack of confidence in a previously small and unskilled staff, that is certainly not the case now. What private industry and their related associations now find is an absolute necessity to become involved to some degree in the total government process. What industrial associations have also determined is that to be effective, they need to represent the greatest group of related manufacturers and suppliers in an industry as possible. To be effective, the industry group must be visible and be heard. Unfortunately, the size of The Institute membership does not grow much and the voice never gets much louder. Both of these are the result of choice.

The issue of image was a natural outgrowth of the review discussion, and is certainly one that impacts a great many people. As people look to The Institute to do things, who calls or does not contact The Institute can often be traced to the perception (image) as to whether The Institute can help in that particular case. If The Institute never involves itself in legislative affairs, its overall effectiveness, by itself, or in any coalition, is diminished. Many business spokesmen are both concerned about increased business regulation in general, and specifically about the new environmental concerns. President Reagan, and President Carter both promoted regulation reform, but reform never really happened. Unions have recently grown stronger, environmental activist groups are expanding, protesters

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find new alliances, and every day the worker and the local citizen body are encouraged to blame industry for something. All of this activity coupled with a steady, yet uncertain economy, only leaves member management so much time to deal with things other than critical business matters.

What all of this means is that the association's role remains important and constant. The role of representing an industry consensus on public policy issues remains paramount. The ability of The Institute to change its focus from mainly one of monitoring and expand into the legislative and administrative arenas may no longer be a matter of choice, but one of necessity.

The Board of Directors are still the main initiators of change as the management of The Institute. The Board itself now sees constant change as 3-4 members of a 25 person Board change each year. This places a stronger need for long range planning and less Board time spent discussing the short range items. The annual development of the Plans and Budget is the vehicle for both these reviews. The focus on goals must be reviewed against the announced plans of various government groups, and the perceptions expressed by government observers. This new focus will help The Institute effectively deal with other related end user groups, as well as aid its individual members in their individual day-to-day business dealings with their customers.

The presidential elections of 1988 will, regardless of the results, help keep the economy pumped up until 1989. This could always reverse itself, but there are no real signs of a recession

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or the beginnings of inflation. Higher military escalation in the Middle East could further pump the economy, yet at the same time possibly increase energy costs. These major activities will capture the headlines on the administrative and legislative side, while the thousands of people dealing in the regulatory offices will continue doing their things completely oblivious to and independently of the world around us.

The steel industry is currently operating with capacity and staffing that is 15 to 20 percent over economically justifiable levels, according to John Jacobson, director of basic industries for Wharton Econometrics. This is in spite of a 30 percent reduction in steelmaking capacity since 1982.

The Wharton Study, "Restructuring and Revival: the U.S. Steel Industry 1987-2000," cited major obstacles to full-scale closings. Among them is community and supplier dependance on large steel mills for economic survival. An analysis by Christopher Plummer of Wharton identifies steel plants facing the greatest threat of large-scale restructuring or full-scale closure between 1987 and 1992.

They are (quantity in tons):

Bethlehem Steel,PA	4,550,000	Rouge, MI	3,000,000
Gulf States, AL	1,500,000	Sharon, PA	1,700,000
Lone Star, TX	1,600,000	USX, PA	7,000,000
LTV, OH	4,000,000	USX, OH	3,300,000
LTV, IL	900,000	USX, IL	800,000
McLouth, MI	1,500,000		

TOTAL TONS = 29,850,000

While the activities of The Institute are not balanced against just the steel end users, the basic health of American industry follows the American automotive production and domestic steel. If both these industry's do not do well, suppliers suffer. These forecasts of end user products are part of the planning tools of The Institute.

The balance of this planning book recognizes the two tiers of activity: one dealing with issues that impact refractories directly from nonindustrial sources (government), and the other, issues in response to the refractory industries' concerns of the multiple product end user. A perfect example of the latter is the issue of Statistical Process Control.

The Institute's goal next year, and the years beyond, is to ensure a proper recognition and response to these two levels of concerns and opportunities. It must try to maintain a balance of support to all company members, and to integrate more completely our member companies into The Institute as a resource, not just a recipient of Institute service.

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THE REFRACTORIES INSTITUTE

PLANS AND STRATEGIES

1988-89

I. Definition of the Function

The Refractories Institute exists to provide a formalized means for identifying and promoting the critical issues which severely impact the refractory industry. Its function is primarily one of:

1. Developing refractories industry positions and knowledge about critical issues through an industry-directed committee structure.

2. Participating and cooperating with government, business and industry groups on a federal, state and local level in the interests of the refractories industry and the public.

3. Collecting, compiling and distributing information with respect to matters relating to the refractories industry.

Scope of Service

Subject to prior approval of the Board of Directors, The Institute takes positions and expresses opinions on critical public policy issues that directly and generally affect the members of The Institute.

Externally, the scope of The Institute is focused on government, business organizations, institutions, universities, research centers, and interest groups in the United States, Canada, and Mexico.

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Internally, its function and scope extends to member companies, affiliate suppliers, their executive management, factory operators, and other staff and management as designated by the Official Representative of Institute members.

II. Description of The Institute

The purpose of The Institute is to achieve the most positive impact of Institute views and positions on economic proposals, government legislation or regulatory actions that impact members' profitability and to provide Institute members informational and educational programs.

This is accomplished by the Executive Committee and the Board of Directors through review of programs, projects and issues, providing staff direction on these matters. The Institute is organized functionally, as follows:

Committee Liaison

Provide staff support to Institute committees in arranging meetings, planning agendas, providing speakers, research and general coordination. Support decisions of committees on their issues so that appropriate action is taken and completed.

Public Policy Research

Support the essential committee network by identifying,

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studying, monitoring and reporting on governmental trends, emerging critical issues, and specific legislative and regulatory proposals. Prepare reports and forecasts of possible actions on issues for committee review and for membership information, all aimed at the development of positions on issues that directly affect the industry.

Industry Relations

Maintain contact with Institute members and affiliates on trends in industry, industrial statistics, general research and technical activity, such legislation and regulatory actions as may be appropriate and seek guidance on industry positions that need to be made known to the general public and government.

Government Relations

Identify and monitor selected legislative and regulatory initiatives, cultivate and maintain appropriate relationships with government officials, participate in related business and association activities, and develop strategy and counsel to advance or safeguard the refractories industry on related business association interests.

Member Relations

Sponsor and support activities and programs to broaden members' governmental awareness, their knowledge of key

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public policy issues, their involvement in Institute and committee activities as a whole, their participation in Institute programs and the general acceptance by the public of The Institute's goals and activities.

Academic Relations

Through limited scholarships and other university and college activities, encourage research in selected refractories industry issues and the encouragement of interest and academic involvement in ceramic education.

III. Key Issues/Assumptions/Risks

The key developments to which The Institute must respond in the next three years are highlighted by the following:

° Increased emphasis by NIOSH, OSHA, MSHA and Congress on pulmonary diseases, respiratory protection for employees in the workplace, including weight restrictions on lifting and general safety concerns.

° The presidential election and change of administration could initiate changes in trade policies and labor relations in general.

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- Increased legislative efforts directed at increasing minimum wage payments which will increase the general costs of manufacturing.

- The continued pressures exerted by all end user industries on refractory suppliers for more statistical process control information and technical information.

- The growing concern on all government levels for increased worker right-to-know regulations dealing with hazard communication and community right-to-know.

Additional major issues and risks impacting members are:

- Quality of work life with emphasis on a freedom from injury in the workplace.
- Resurgent public and news media concern about the environment and hazardous chemicals.
- Growing public and government concern over use and disposal of hazardous waste products.
- Shrinkage of domestic refractories consumption based on tonnage.

IV. Institute Strategy

To support both broad and specific Institute goals and member interests as developed by effective committee actions and Board approval, our strategy is:

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1) Provide timely, accurate industry information, data, and specialized management skills to facilitate the planning and operating capabilities of member companies.
2) To increase The Institute's members acceptance of issue management and Institute planning methods in a complex economic and government environment through committee activity, and member involvement.
3) To effectively position The Refractories Institute in certain industry groups to increase the support of Institute goals and the communications of refractory industy concerns to government representatives and related organizations. To increase the effectiveness of these groups in supporting Institute goals.
4) Perform support functions common to the industry which will assist the membership management in areas of reduced company staffing.
5) Develop programs to include both Active and Associate members in improving the image of the refractories industry.

Rationale

° To assist members in coping with the growing influence of government at all levels; international, national, state and local.
° To present The Institute and its members as a valuable resource as seen by government, business leaders, and related product end user associations.

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Tactics

- Develop informational and training programs to enable members to better understand changing business and environmental conditions, especially hazard communication, worker safety, and health related matters.
- Build on established staff relationships with public officials to increase effectiveness in responding to and dealing with public policy issues.
- Maintain a Public Policy Issue Management System to identify and prioritize critical Institute issues.
- Maintain and increase Institute presence in selected federal and state regulatory agencies pertinent to defined key Institute interests.
- Work with member companies to optimize use of informational sources such as business associations, universities, research institutes, special interest groups, and the news media.

Resources

- Provide a small, high quality, versatile, professional staff to support Institute interests in the federal, state, local and international arena.
- Use outside resources to enhance intelligence, research and management effectiveness.

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Productivity

- Increase The Institute staff's knowledge of the processes, activities, and problems of members, by all staff members; personally contacting official representatives to solicit responses to programs; and attendance at meetings of organizations which supply support materials or services to Institute members.
- Continue a parallel system of service for state and local affairs, as well as federal on selective issues.
- Continue review of office operations to improve efficiency of data retrieval on the refractories industry and accounting functions.
- Cultivate intelligence sources to provide timely information to member companies on a variety of critical federal and state public issues. This is done by developing personal contacts at the NAM, Chamber of Commerce, Chemical Manufacturers Association, National Paint and Coatings Association, and American Petroleum Institute, and share information on mutual concerns.
- Work to increase the management effectiveness of each staff member through exposure to educational opportunities as needed.

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MAJOR ASSOCIATIONS AND END USER

CRITICAL PUBLIC POLICY ISSUES

TRI continually reviews the public policy issues developed through its committee structure. While most TRI critical issues are primarily federal in nature, many have become state issues as the federal government shifts concerns to a state level. Most all states now see environmental protection and worker safety as issues of high priority.

The matching of critical TRI interests and the possible coalescing of member strengths is the most effective way to represent similar industry groups and deal with issues. The effectiveness of any blending of effort results from the ability of each group to translate its particular concerns to part of a larger problem. This does not drain any member's time, money or manpower because everyone works at a part of the problem only. Effective coalitions also results from the positioning of institutes or associations in the public arena so that they can be effective in their actions. In other words, the people who are successful in government or association affairs are aware of where they should be, and try to stay tuned into governmental decision makers, and work quickly and with vigor when an opportunity comes to represent their position or view on a critical issue. This is called positioning. The Institute reviews and participates in related association business issues as a member of the Associations Council of the National Association of Manufacturers.

Each year The Institute reviews the critical issues being considered by the institutes or associations which represent the major refractory end user markets. The purpose served is to review the critical issues of both producers and end users and to help determine the best method of dealing with a critical issue.

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The review of issues helps determine if TRI can help in any of these issues, or if something happens to a critical user issue, how will that affect TRI members? Not unlike The Institute's committee structure, many end user issues follow major legislative and regulatory trends, often with heavy emphasis on environmental health and safety, and economic issues. Other informational exchange is provided by membership in major associations such as the NAM and selected state chambers or manufacturer associations.

While many associations seek aid in legislative matters, TRI reviews other association issues to determine how a sharing of information can best help deal with regulatory issues, or how other's experiences can provide an educational assist to TRI members. Many companies have been sharing experiences on Hazard Communication and/or Statistical Process Control, and this latter issue is increasing in importance. The Institute works closely with the Refractory Committee of AISI and The Refractory Division of ACS.

The following critical public policy issues are a concern to these organizations and industries:

Iron & Steel Institute

- For years AISI promoted legislative setting of tariff levels to protect domestic industries. The current administration's policy on trade barriers, now opposes them, favoring self restraint by the exporting countries against negotiated levels of the American market.

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Iron & Steel Institute (cont'd.)

- Imposition of quotas against imported steel and steel products is not accepted by the administration as an answer to domestic steel's current operating problems. In the new round of GATT trade discussions the United States will promote an elimination of foreign trade barriers, tariffs and foreigh government support to foreign steel producers.
- Realistic enforcement of existing trade laws does not seem to work; trigger mechanisms take too long to work.
- Regulation reform, with particular emphasis on air and water pollution regulations, now seems secondary to other issues. Finding a way to financially stay alive is a steel company's main concern.
- The need for suppliers to the steel industry to adopt statistical process methods is seen as a benefit, but improvements in the quality of products used by the steel industry can not be delivered at ever cheaper prices.

On the state level, each company takes care of its own steel industry issues. State activities are concentrated on safety and health, environmental concern, and tax matters, especially taxes which would drain excess profits. Steel companies show intense interest in unemployment and workmen's compensation costs in all states.

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American Petroleum Institute

The very nature of the industry results in a tremendous list of critical issues. Its prime concern each year is to present moves in Congress to impose additional import or production taxes on oil or oil products as the revenue needs of federal and state governments increase. The use of less oil products will create a loss of tax revenue and could cause states to increase gas taxes. Uncertainty over foreign oil supply has encouraged increased domestic exploration and retrieval.

Highest Priority

- Maintain favorable tax considerations
- Health related regulations including carcinogen classifications by OSHA and EPA, toxic substance control
- Natural gas pricing and decontrol
- Resource Conservation and Recovery Act - Solid waste disposal

The petroleum industry maintains a number of state field operations to help guide the end users (gas stations, haulers, etc.). These efforts relate to energy management, marketing issues and the taxation of oil products. This taxation issue forms the basis of major revenue raising for most states, as well as federal programs. Decreased usage of gas products is beginning to create funding problems in state and local budgets. These gas taxes are the major funding source for most all highway support programs.

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Society of Plastics Industry

This group represents many oil companies, basic resin producers, and molders and fabricators. The auto companies are involved because of the inclusion of reinforced fiberglass parts in the transportation industry. Plastics continue to encroach on the glass bottle market. The safety concerns over styrene will result in additional environmental costs.

Federal Issues

- Product liability reform legislation
- Transportation of hazardous waste products, and disposal of waste products
- Clean Air and Water Act amendments
- Reinforced future glass products have increased usage

The S.P.I. maintains a State Government Affairs Advisory Committee to advise on a number of state problems which deal mainly with restrictive packaging taxation legislation, Right-to-Know legislation, product liability, combustibility restrictions in plastics, and toxicity of materials. S.P.I. has developed one of the most organized state member support organizations in the country. S.P.I. also retains permanent political/public affairs counsel, as well as using paid lobbyists in a number of key states.

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Major Flat Glass Producers

The major domestic glass producing companies are not represented by an association. The two basic glass markets, construction and transportation, are mature markets and the growth of both has slowed.

Major commercial construction remained strong up to this year but the housing market has again slowed. The auto market has improved over the past few years, but sales depend on the general economy, interest rates, and the general sales appeal of foreign import cars. World auto capacity leaves only the American market as a place to sell this production.

Federal Issues

- Availability of energy supplies, especially natural gas
- Transportation available to transport glass mix products to plants, especially on the rails

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State Issues

- Air pollution reform
- Good road systems to move products to market
- Workmen's and unemployment compensation issues

Brick Institute of America

The Brick Institute is primarily engaged in encouraging the use of brick over other materials in the housing market. While heavily involved in the consumer marketing aspect of the association, it maintains strong federal government involvement. The Institute also recognizes worker safety and health concerns.

Federal Issues

- Foreign imports from Mexico and Canada have devastated a large segment of domestic production in the southwest
- Deregulation of natural gas
- MSHA/OSHA matters New Sources Performance Standards
- Silica standards
- General level of building

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Chemical Manufacturers of America

This organization represents the major 120 chemical producers in the United States, and because of its size and diversity of its members, works on the major issues. They are the spokesmen for any new legislation or regulation dealing with its chemicals.

Federal Issues

- Superfund Reauthorization/Community Right-To-Know
- Hazardous material transportation
- Toxic waste transportation and disposal
- Safety in the work place
- Air and water pollution legislation

On the state level, there are a number of formal state industry councils which cooperate with company lobbyists in the certain states. In addition, CMA has formed a state advisory committee to consider CMA issues in all states, since there is a concentration of chemical operations in less than a dozen states.

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1988-89 PROGRAM

INSTITUTE - GENERAL

The Refractories Institute has prepared a program of activity that will provide a continued full range of services to its members, will initiate certain new support functions, and will try to do this at the lowest possible cost to the membership. The objective is to continue building on a long-range plan to reinforce the effectiveness of The Institute, as well as plan for the future critical needs of its members.

The basic assumptions of associations similar to TRI are:

- Associations are vital in dealing with the growing complexity of issues.
- Allied councils and coalitions will continue to grow and there will be a growing need for these new groups to supply answers to complex issues.
- There will be a greater need for member involvement in meeting existing and future problems effectively, utilizing the total resources of the organizations.

In order to meet these general needs, The Institute continues to concentrate on its standing committee structure, while working to support the following functions of the 1988-89 Institute program:

- Develop information and training programs which will help membership comply with critical regulatory changes and initiation, especially in the worker safety and environmental areas.

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- Continue programs to develop the best possible working relations with allied associations, especially those dealing with silica and SPC issues.
- Develop ongoing programs that will insure increased Institute membership growth, both Active and Associate.
- Continue development of an effective Institute public relations program so it is possible to identify The Institute to the general public, potential members, associations, educational institutions, and institutes dealing with related issues to create an image of an industry that has a high technical ability and has produced a large number of technical products. Guest column spots will be sought out in the major industrial periodicals.
- Establish The Institute as a reliable, accurate, and sought-out source of information, both to the government and to the member. This is easier to develop when The Institute takes a lead in an issue and others look to TRI for issue direction.

The year 1988-89 is a continuation of past accepted programs and services, with the capability to quickly and accurately respond to the demands of our members and the many public and business sections they serve.

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1988-1989 PROGRAM

STANDING COMMITTEES

Demand for refractory products is related to demand for those consumer products which contain the ferrous and nonferrous metals, glass, cement and high temperature products of the refractory consuming industries. The Refractories Institute has the potential to play an important role establishing the vehicles to facilitate the identification of those general areas where the refractories industry can assist refractory consumers in making those consumer products more competitive in the world market place. These opportunities include joint projects, joint meetings, information interchange, etc.

The general areas can be identified for further development on a supplier/consumer basis by individual Institute members. Since refractory raw material and manufacturing equipment play an important role in refractories capabilities, Associate members can also be involved in this big picture analysis. This task can best be accomplished by the Institute's Board of Directors and persons member companies designate to be involved with this long range evaluation process.

Associate member participation will surely assist in the early identification of projects and programs which will provide increased benefit to each member and The Institute as a whole.

The Institute's standing committees have been chartered to and function best in identifying, monitoring and analyzing those current and emerging issues which impact on the manufacturing and distribution operations and member company profitability. The Institute's issue management process and resulting issue manual is designed to accomplish this objective.

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The fiscal year 1988-89 programs developed by The Institute's Standing Committees are focused on those high priority issues which may or will impact respective member company functions and operations. Each standing committee's performance in identifying and sorting out of those most important issues is consistant with the committee's charter and has been exceptional during the past fiscal year. The Institute's 1988-89 Standing Committees' Plans and Budget is the final product of close scrutiny by each standing committee. The 1988-89 Program(s) recommended for each committee when fully executed will provide a valuable service to the refractories industry, The Refractories Institute and each of its member companies, both Active and Associate.

The October 1987 decision to permit Associate members to participate in committee meetings has already proved to be most beneficial in assisting standing committees in identifying and analyzing the critical issues.

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ENERGY COMMITTEE

Organized to provide a forum for discussion of energy availability and utilization in the refractories industry, the committee is not expected to have any critical issues during 1988. Energy supplies are expected to be adequate throughout the year. The committee will continue to monitor actions and activities of the Department of Energy and The Federal Energy Regulatory Commission (FERC). FERC is still struggling with the "take or pay" billing scheme which was declared illegal October 27, 1987, by the U. S. Court of Appeals for the D.C. circuit. The Court decided that the billing mechanism violates the natural gas act's prohibition against retroactive rate making and remanded the case back to FERC for future proceedings.

The natural gas roundtable has predicted that it will probably take "another year" to pull together the FERC's restructuring of the gas industry.

Since the energy committee has no real issue to discuss, there appears to be no requirement for a meeting in 1988.

Controlling energy costs by monitoring and controlling peak demands will be a topic of discussion during the 1988 Factory Operator's Meeting.

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ENVIRONMENTAL PROTECTION COMMITTEE

The Environmental Protection Committee was organized to provide a forum for the discussion of methods to achieve environmental quality standards within the refractories industry and to analyze, report and recommend Institute activities on proposed legislation and regulations.

The Committee will be involved in monitoring, reviewing, and formulating recommendations concerning the following issues during 1988.

TITLE III: EMERGENCY PLANNING AND COMMUNITY RIGHT-TO-KNOW

STORM WATER RUN-OFF PERMITTING

NEW SOURCE PERFORMANCE STANDARDS - CALCINERS AND DRYERS

WASTE MINIMIZATION

MASS BALANCE ACCOUNTING

WATER QUALITY

CHROME AS AN ENVIRONMENTAL CONCERN

TITLE III: EMERGENCY PLANNING AND COMMUNITY RIGHT-TO-KNOW

While seven statutory deadlines passed during this past fiscal year, the first toxic chemical release report deadline of July 1, 1988 is to be met. The EPA regulatory agenda contains ten separate actions in the proposed rule stage under Title III: Emergency Planning and Community Right-to-Know. The majority of these pertain to the reporting of releases of hazardous materials. The committee will be monitoring, reviewing and preparing recommendations concerning each rulemaking action. The Institute's Guide To Emergency Planning and Community Right-to-Know has been designed to contain those provisions once finalized.

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ENVIRONMENTAL PROTECTION COMMITTEE (cont'd.)

STORM WATER RUN-OFF PERMITTING

Section 405 of The Water Quality Act of 1987 which was signed into law February 4, 1987, requires all industrial facilities to be permitted for storm water run-off by February 1991. The Act requires EPA to establish a Storm Water National Pollution Discharge Permit System in accordance with the following schedule for industrial dischargers:

FEBRUARY 4, 1989 - Establish Application Requirements

FEBRUARY 4, 1990 - Permit Applications Due in to EPA

FEBRUARY 4, 1991 - Permits Approved and Issued

FEBRUARY 4, 1994 - Full Compliance

This will require companies to initiate permitting actions for all facilities plants and warehouses as soon as EPA promulgates appropriate regulations. The law specifies that all applications are due by February 4, 1990.

Each person or company submitting a permit will have to first:

1. Collect rain water run-off at various locations;
2. Test the run-off to determine what contaminants and quantities are present;
3. Install facilities to reduce pollutants to acceptable levels.

EPA stated that they intend to utilize group permit applications. While no formal regulation has been proposed, EPA has stated that approximately 10% of the facilities in a group permit would require testing to establish representative storm water data.

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ENVIRONMENTAL PROTECTION COMMITTEE (cont'd.)

STORM WATER RUN-OFF PERMITTING (cont'd.)

During 1988 the Environmental Protection Committee will, as authorized by the Board of Directors, perform a detailed investigation of group permit applications with the objective of preparing a recommendation concerning preparation and submission of group type permits by The Institute. The investigation will include:

1. How group permitting can be accomplished;
2. Associated costs and savings;
3. Recommendations for cost sharing;
4. Feasibility of accomplishing the permitting requirements by the committee within the EPA time frame.

This project is not expected to incur any additional Institute costs at this time. The Institute will continue to participate in EPA's Storm Water Working Group to facilitate coordination on this issue.

NSPS CALCINERS AND DRYERS

EPA in Research Triangle Park, NC has stated they are updating the proposed rulemaking for New Source Performance Standards for calciners and dryers, based on comments and information received. They stated that a final rule may be issued late in 1988. EPA states it is unlikely current emission standards will be changed in this rule. The committee will continue to monitor this issue.

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ENVIRONMENTAL PROTECTION COMMITTEE (cont'd.)

WASTE MINIMIZATION

EPA defines waste minimization to include waste reduction, plus all forms of recycling and treatment (such as incineration or other processes that destroy, detoxify, or reduce the volume of waste streams) that occur after wastes have been generated. A national trend towards mandated waste minimization is emerging.

The RCRA Act of 1984 contains a national policy statement on waste minimization. Section 313, Toxic Chemical Reporting of Title III: Emergency Planning and Community Right-to-Know requires owners and operators of a facility to maintain and annual record of toxic chemicals in the facility starting July 1, 1988. They must report data reflecting toxic chemical releases, including toxic chemical products shipped, during the preceding calendar year.

The law further directs the Environmental Protection Agency to arrange for a mass balance study to be carried out by the National Academy of Sciences. As defined in the law the term **mass balance** means "an accumulation of the annual quantities of chemicals transported to a facility (plant), produced, consumed used and or accumulated at a facility, released from a facility and transported from a facility as a waste, a commercial product, or a component of a product of a byproduct."

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ENVIRONMENTAL PROTECTION COMMITTEE (cont'd.)

WASTE MINIMIZATION (cont'd)

Senate Bill S.1429, "the Hazardous Waste Reduction Act," introduced by Senator Durenberger will require:

- More stringent mass balance reporting;
- Waste reduction and recycling reporting;
- Establishment of a national waste reduction and recycling clearing house.

The Institute's Environmental Protection Committee will monitor, review, and prepare comments and recommendations concerning waste minimization and mass balance accounting proposed by EPA and bills introduced into Congress.

WATER QUALITY

Federal and state ground water quality protection is emerging as a leading environmental issue.

Over the past 15 years, environmental policy has moved toward a comprehensive scheme of regulation governing waste disposal, toxics, and air and water emissions by industrial and municipal sources.

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ENVIRONMENTAL PROTECTION COMMITTEE (cont'd.)

WATER QUALITY (cont'd)

Federal water policy has been characterized historically by ad hoc responses to particular problems. Existing laws include the Clean Water Act (CWA); the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, commonly referred to as Superfund); the Toxic Substances Control Act (TSCA); The Resource Conservation and Recovery Act (RCRA); the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA); the Surface Mining Control and Reclamation Act (SMCRA); and the Uranium Mill Tailings Radiation Control Act (UMTRCA). These laws have created broad and overlapping authorities.

Safe Drinking Water Act of 1986: The Safe Drinking Water Act of 1986 defines a public water system as "one which serves at least 15 service connections used by year-round residents or regularly serves at least 25 of the same persons over six months per year."

This definition is contained in EPA's July 8, 1987 Federal Register (page 25690) announcement of regulations concerning monitoring, reporting and public notification requirements. Therefore, plants with company-owned drinking water systems which meet this definition, may have to comply with both federal and state laws and regulations pertaining to public water systems. EPA also proposed in the July 8, 1987 Federal Register, to regulate 83 contaminants in drinking water.

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ENVIRONMENTAL PROTECTION COMMITTEE (cont'd.)

WATER QUALITY (cont'd)

Water Quality Act of 1987: The Water Quality Act of 1987 passed in February, and in addition to providing grants and programs for water treatment, includes requirements for states to:

a. Identify waters that are unlikely to comply with water quality standards after application of effluent limitations;
b. Identify point source discharges that may be causing violation of these standards;
c. Identify individual control strategy that will reduce toxics from those point sources;
d. Require control of storm water discharges.

As states tighten their water standards and perform this water quality identification process, some refractory plants or operations may be identified as violators.

The Water Quality Act of 1987 provides for increased court assessed civil and criminal penalties for violations of the Clean Water Act.

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ENVIRONMENTAL PROTECTION COMMITTEE (cont'd.)

WATER QUALITY (cont'd)

° Civil - Changes the maximum allowable penalty from $10,000 per day to $25,000 per day for each violation;

° Criminal - changes maximum penalties for knowing violations of the Act from $25,000 per day of violation and/or imprisonment of one year, to $50,000 per day of violation and/or imprisonment of 3 years. Increased the maximum sanctions authorized for false statements made under the Act. Established new criminal sanctions for knowingly endangering persons through violations of the Act.

As with any issue, additional ground water legislation has already been introduced into Congress:

S.1105 - "Ground Water Research Act of 1987," sponsored by Senator Durenberger:

° Establishes comprehensive and conslidiated water R & D programs through EPA;

° Will require manufactures registration of substance import;

° Will impose a $1 per ton tipping fee on solid waste disposal;

° Expands the federal permitting system;

° Expands the underground storage tank program.

The Environmental Protection Committee will continue monitoring this issue to keep the membership informed.

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ENVIRONMENTAL PROTECTION COMMITTEE (cont'd.)

CHROME

The Institute joined and will continue its membership in the Chrome Coalition of the Industrial Health Foundation and is keeping Institute members who use chrome raw materials informed of the Coalition's actions and activities. The Coalition is preparing documents regarding the toxic aspects of chrome, plus chrome as air and water pollutants and as a waste.

EPA issued a notice of intent to list total chromium or hexavalent chromium under section 112 (50FR, 24317). They are further assessing the public health risks of chromium compounds and techniques that are available to control air emissions from 11 identified source categories. They plan to announce proposed rulemaking in June 1988.

Also Senator Durenberger is pushing for control of chrome based on total chrome, rather than on the toxic valences and compounds.

A copy of the Battelle Columbus laboratory study on the "Evaluation of the Potential Health Effects of Trivalent Chromium Compounds in the Refractories Industry" was furnished to the Senator to demonstrate that only toxic forms of chrome should be regulated and resulted in total chrome being deleted from the draft bill.

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ENVIRONMENTAL PROTECTION COMMITTEE (cont'd.)

ENVIRONET

Environet is a environmental protection compliance and audit information service on the state and federal level from ERT, an environmental engineering firm based in Concord, MA. The Environmental Protection Committee has been evaluating the service for possible recommended use by Institute Members. The Institute has requested revised detailed cost estimates and samples for further committee review. A committee recommendation is expected to be formulated during 1988.

FUTURE MEETINGS OF THE ENVIRONMENTAL PROTECTION COMMITTEE

The committee agreed that the next meeting should be held at EPA in Washington, D.C. in the spring of 1988. The primary portion of the meeting should contain update briefings on the refractories industry environmental issues by EPA staff. The EPA has a conference room at 401 M. Street, SW., and EPA personnel have stated they would be pleased to provide update briefings. This will allow committee members direct contact and interaction with EPA personnel who are involved with the policy and regulatory process.

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FACTORY OPERATOR'S COMMITTEE

The Factory Operator's Committee developed the following guidelines for the 1988 Factory Operator's Meeting.

Plant tour 1988 - since OSHA is developing a manual lifting standard, it was suggested that, if possible, the candidate plant for the tour be automated in handling products weighing 100-250 pounds.

Candidates for tours include:

SHELL OIL CHEMICAL PLANT, OHIO

CANADA BRICK COMPANY, TORONTO, CANADA

ROCKWELL CORPORATION, ASHVILLE, NORTH CAROLINA

Meeting topics include;

1. Automatic/Computerized Controls for Kilns and Equipment - Provide information on what is available that may be used in a refractory plant, how it works, and how to analyze a given operation to determine if the latest technology can be utilized in automating the control of a piece or pieces of equipment. The organization of this portion of the meeting into a short course of approximately four hours duration was suggested.

2. Control of Electrical Energy Utilization - Electric utilities companies are billing facilities based on electric energy use during peak demand periods. The committee suggested a program on controlling peak demands be presented. Dr. Dave Schroeder, Process Control Corp., Warrendale, PA, is developing this program.

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FACTORY OPERATOR'S COMMITTEE (cont'd.)

3. Rapid Tooling - The trend to smaller orders resulting in shorter runs, has created this requirement for rapid retooling on presses. A panel discussion on ideas, concepts and practical solutions for rapid retooling was suggested.

4. Industrial Relations - Committee members expressed an interest in nondiscrimination practices and aspects of selection hiring and testing of potential and new employees.

5. Regulation Compliance - Plant operators can use assistance in keeping informed of those safety and health and environmental regualtions with which they must ensure compliance.

   A program reviewing the latest regulations on environmental and safety and health impacting refractory plants is suggested. The program should cover the legal aspects of compliance and noncompliance and liability aspects, including compliance by contractors and vendors working in plant facilities. The program could also include EPA's concepts on mass balance analysis of hazardous materials, waste minimization concepts, and EPA's storm water permitting program.

6. Manual Lifting - An OSHA representative has been invited to review OSHA's plans to develop a regulatory standard for manual lifting.

7. Silica - An update by Dr. Morton Corn, John Hopkins University, including a review of the proposed protocol for monitoring employees for respiratory dificulties.

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FACTORY OPERATOR'S COMMITTEE (cont'd.)

MEETING ORGANIZATION

The committee suggested that the meeting announcement contain suggestions about which people should attend the meeting. This may encourage broader attendance rather than just plant managers.

Executive sessions of the Committee recommended Official Representatives be invited to attend an executive session. This session would include the following topics:

REGULATION COMPLIANCE

MANUAL LIFTING

CONTROL OF UTILITIES UTILIZATION

INDUSTRIAL RELATIONS

MEETING DATES

Scheduling the meeting May 10-12, with alternate dates of May 17-19, 1988, was recommended.

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INDUSTRIAL RELATIONS COMMITTEE

The Industrial Relations Committee reorganized the agenda of its 1987 Fall Meeting making the major portion an educational program on Human Productivity and Legal Aspects of Human Resource Management. The meeting was most educational, informative and an outstanding success.

The emphasis on the intricacies and legal aspects of human resources management prompted the committee to recommend the establishment of two subcommittees to work on:

1. Development of a personnel relations audit for use by TRI Members as a checklist for compliance with human resource laws and regulations.

2. Track various human resource legislative and regulatory issues and encourage TRI Members to comment on same to their elected officials.

John Dugan, Esq., Kirkpatrick & Lockhart, Pittsburgh, PA and John Artz, Esq., Echert, Seamans, Cherin & Mellott, Pittsburgh, have offered their assistance in the development of the personnel relations audit materials.

These actions which will be a prime committee emphasis during 1988 can be accomplished within the Institute's normal budget.

The committees agreed and decided that the legal aspects of Human Resources, as well as the ever increasing role of Human Resources Management, require that it is mandatory that the committee meet twice per year. This will greatly assist industrial relations managers in keeping current with Human Resource Issues which have the potential to impact heavily on the Human Resource aspects of the industry.

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PACKAGING AND SHIPPING COMMITTEE

The Packaging and Shipping Committee has two main programs for the 1988-89 fiscal year.

OSHA MANUAL LIFTING

THE STANDARD IMPACT OF "HIGH CUBE" TRUCKS ON REFRACTORY PACKAGING AND PALLETIZING

OSHA Manual Lifting Standard - OSHA has identified manual materials handling as the principle source of compensatable work injuries in the U.S., and four out of five of these injuries affect the lower back. OSHA announce October 2, 1986 its intention to develop a manual lifting standard which should limit manual lifting to a 50 pound limit. It would also require medical evaluations, strength testing and worker assist devices. Initial estimates of refractories industry impact includes:

- 70-90% increase in the cost of empty containers per ton of finished refractory product;
- 20-35% increase in labor costs per ton;
- 10-20% increase per ton of nonbulk raw materials;
- $25,000 per production line capital investment.

The packaging and shipping committee is continuing to monitor and analyze the impact of OSHA's actions. An OSHA representative has been invited to speak on the topic at the 1988 Factory Operator's Meeting.

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PACKAGING AND SHIPPING COMMITTEE (cont'd.)

IMPACT OF "HIGH CUBE" TRUCKS

The deregulation of the trucking industry has prompted that industry to take a new look at shipping productivity. To minimize shipping costs, haulers are demanding larger capacity trucks and a conversion to the "high cube" concept. These trends in truck design will affect loading dock design, pallet design and the patterns of packing refractory products on the pallets. Trailer widths are being increased from 96" to 102" lengths from 45' up to 53'. It is reported that over 66% of current trailer production is devoted to 102" widths. High cube design trucks gain capacity by having a lower floor. Instead of the conventional 48"to 52" height from ground to floor level, high cube trucks have dimensions as low as 36". These changes are also lengthening the turning radii on trucking rigs, which may impact loading areas. This redimensioning of trucks, coupled with OSHA's new thrust to develop a manual lifting standard to decrease back injuries may have long range impacts on the refractories industry. The questions to be analyzed by The Packaging and Shipping Committee include:

° Will this require changing standard pallet size and design?

° Will this require the development of new packing patterns for brick and shapes and bulk products?

° How will OSHA's manual lifting standard impact the packaging of bulk products? Will this also impact pallet loading and sizing?

At present The Institute is coordinating with RITE-HITE concerning a 1988 Factory Operator's Meeting program which will provide an overview of the changes which are occurring in the trucking industry.

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PACKAGING AND SHIPPING COMMITTEE (cont'd.)

The Packaging and Shipping Committee is expected to meet once during the next year.

SAFETY AND HEALTH COMMITTEE

The 1988-89 plans and programs of The Safety and Health Committee include the management of The Institute's silica issue and its projects and the monitoring, analysis and preparation of recommendations for individual OSHA regulatory agenda items.

REGULATORY ACTIONS

The OSHA regulatory agenda indicates the development of regulations in the following areas:

MANUAL LIFTING

RESPIRATORY PROTECTION

ASBESTOS, TREMOLITE, ANTHOPHYLLITE AND ACTINOLITE

CARCINOGEN POLICY

HAZARDOUS MATERIALS

While The Packaging and Shipping Committee will be analyzing OSHA's manual lifting proposals for impact of manufacturing operations, The Safety and Health Committee will be analyzing its impact from a company's safety and health program viewpoint.

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SAFETY AND HEALTH COMMITTEE (cont'd.)

REGULATORY ACTIONS (cont'd.)

The Institute's plans and budget during the past two years have included plans to develop documents to assist member companies in complying with OSHA's Respiratory Protection Standard. However, The Standard has been held up by the Office of Management and Budgets regualatory review process. While OSHA cannot provide a date when the standard will be announced The Safety and Health Committee is ready to initiate Institute action at any time.

OHSA's June 17, 1986 revised standards governing occupational exposure to asbestos, tremolite, anthophyllite and actinolite have been at a temporarily stay status while OSHA reviews letters, data, and memoranda from NIOSH and trade associations. Some refractory raw materials contain slight amounts of asbestos form fibers which may fall under a revised standard. OSHA proposes to reinitiate rulemaking early in 1988.

OSHA has indicated that they will revise and update standards in 29 CFR Part 1910, Subpart 4, concerning storage, handling and use of hazardous materials to develop performance-oriented requirements relative to flammability, explosiveness, corrosiveness, and toxic effects. The status of this issue will be monitored and evaluated by The Committee.

SILICA ISSUE

The Committee will continue to monitor activities related to the silica issue and manage the two projects recommended by the January mini workshop on silica.

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SAFETY AND HEALTH COMMITTEE (cont'd.)

SILICA ISSUE (cont'd.)

a. Employee Health Monitoring Program

The Employee Health Monitoring Program proposed by Dr. Keith Morgan, University Hospital, London, Ontario, has been reviewed and approved by Dr. Morton Corn, Baltimore, MD. The protocol will be placed into final form and sent to The Committee and TRI Membership for review and comment prior to the end of 1987-88 fiscal year. The protocol, comments and recommendations shall be presented to the Board of Directors in March 1988. If approved the project will be managed in accordance with the following time schedule:

June '88 - Presentation to The Membership

August '88 - Protocol Workshop

Sept '88 - Jan '89 - Individual Company Visits

Summer - Fall 1991 - Follow-up Visits to Companies

COSTS - While employee health monitoring can be accomplished by one of two methods, the establishment of monitoring procedures by individual member companies appears to be the best method over The Institute contracting a single health maintenance organization to monitor the health of the employees of all member companies with potential respirable dust exposure. Individual companies can then integrate the protocol into their current health monitoring procedures.

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SAFETY AND HEALTH COMMITTEE (cont'd.)

SILICA ISSUE (cont'd.)

a. Employee Health Monitoring Program (cont'd.)

The establishment of the protocol will cost an individual member company approximately $100 per employee monitored per year plus the cost of individual company visits to install the protocol approximately $3000. Individual employee records will be retained by each company.

A one day workshop in August 1988, to introduce member company medical personnel to the protocol will cost approximately $10,000 as follows:

Dr. Corn's preparation and Conduct of Workshop	$5000
Workshop Facilities and Logistical Costs	$5000

At this time it is recommended that the cost of follow up visits to member companies by Dr. Corn or his assistants over a 2 year period starting 1989 thru 1990 be borne by the individual member companies.

Consideration of an epidemiological study shall not be proposed until 5 or more years of data have been established by individual companies.

While establishment of the recommended protocol may appear to be a large undertaking it really only entails the establishment of employee health monitoring procedures which will be required under the Respiratory Protection Standard.

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SAFETY AND HEALTH COMMITTEE (cont'd.)

SILICA ISSUE (cont'd.)

b. Comparison of Cytotoxicity Between Min-u-sil and Refractory Materials and Refractory Materials Containing Free Silica

The January 1987 mini workshop recommended this be studied to evaluate whether or not the materials are different. The Institute has received one proposal from the University of West Virginia which estimates the cost to be $65,000. Dr. Corn questioning of resulted in the proposal being returned for further evaluation and a more detailed breakout of the costs. The Institute shall continue to pursue laboratories which have experience in performing this type of evaluation. Pursuit of this project cannot be accomplished without further redimensioning of its parameters and detailed cost estimates.

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STATISTICAL PROCESS CONTROL COMMITTEE

The Statistical Process Control Committee met once this past year and plans to meet once in fiscal year 1988-89. This meeting will include review and comment on the booklet "Statistical Process Control for the Refractories Industry" being developed by the University of Missouri-Rolla, Department of Ceramic Engineering. The booklet contents will include:

I. Introduction

II. Process Capability Studies

III. Precision & Accuracy

IV. Quality Control Charts for Measurements & Attributes

V. Problems of Estimation & Significance Testing

VI. Study of Distribution

VII. Applications in Manufacturing

Appendices:

I. SPC Software Suppliers

II. SPC Consultants

Note: Each chapter shall have an extensive bibliography.

The Committee will provide recommendations to The Institute's Board of Directors concerning distribution of the book to TRI Members and others.

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STATISTICAL PROCESS CONTROL COMMITTEE (cont'd.)

The committee has further recommended the meeting include a discussion session with both refractory manufacturers and raw material suppliers and allow the suppliers (Associate Members) to explain their capabilities and limitations in supplying refractory raw materials. The committee recommended these meetings focus on a single raw material category, the first being refractory cements. The committee realizes that the design of refractory products are dependent on raw material suppliers capabilities. The Associate Members attending the meeting felt that such an interchange would be very useful and productive.

The invitation of educators to the meeting was suggested. The committee further recommended that The Institute produce an educational video tape on SPC and the total quality concept directed towards plant employees. Members commented that current video training material is too generic to provide motivation for refractory manufacturing employees. This project must be further defined before adequate proposal including cost estimates can be prepared for consideration.

The committee recommended the drafting of a letter to the ceramic education council and twelve colleges with accredited ceramic curriculum recommending the total quality concept and SPC be incorporated into the curriculum.

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TECHNICAL ADVISORY COMMITTEE

The Technical Advisory Committee has initiated plans to focus on critical issues during fiscal year 1988-89.

1. Make ASTM Committee C-8 on Refractories more effective.
2. Encourage The Refractories Division, ACERS, The Iron and Steel Society, AIME, and other organizations to focus refractories related meetingss on specific refractory topics.
3. Revitalize the Foundation in Refractories Education support to ceramic education programs.
4. Utilize The Refractories Research Center's asset capabilities to support development of ASTM standards.
5. Encourage member company interest in the international standards development process.

The committee intends to continue holding its meetings in conjunction with ASTM Committee C-8 and The Refractories Division American Ceramic Society. This serves to encourage and promote Technical Advisory Committee members participation and influence in these two organizations which play important roles on the transfer of refractories technology.

The Committee will be involved in The Institute's preparation and maintenance of a computerized cross reference listing of ISO, ASTM, DIN, PRE, BSI and JIS Standards for use by TRI members and others.

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TECHNICAL ADVISORY COMMITTEE (cont'd.)

The Refractories Research Center's conduct of ASTM ruggedness testing has proved to be most successful in facilitating the finalization of ASTM Standards. The Committee is encouraging ASTM subcommittees to identify those round robin tests in which the Research Center's participation will be beneficial.

The committee will continue to explore F.I.R.E. programs which will generate ceramic student interest in the refractories industry.

Committee members who are also members of the AISI Collaborative Research Committee on Refractories will encourage that committee to develop program recommendations concerning standard tests and topics on which forum and meetings can be focused.

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STANDING COMMITTEES

The expenses and activities are shown in several ways:

1) By priority listing of projects

2) By committee, showing the expense relating to the committee

3) By category of expenses which support the committee

PRIORITY LISTING
1988-1989 BUDGET

Priority	Item	Cost Estimate
1	Silica Consultant (Continuing)	$ 15,000
2	1988 Factory Operator's Meeting	17,500
3	Committee Meetings	3,700
4	Committee Maintenance Programs	2,800
5	F.I.R.E. Scholarships	0
6	RRC Testing	7,500
7	RRC Equipment	7,500
		$ 54,000

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Budget - Fiscal Year 1988-89 (cont'd.)

Committee Meeting Expense	Account	Amount
Energy Committee:		
1987 Energy Efficiency Report -no longer required		
No Committee Meeting Planned		0
Energy Committee SUBTOTAL		$ 0
Environmental Protection Committee:		
Committee Meeting - EPA Washington, DC		$ 1000
Environmental Protection SUBTOTAL		$ 1000
Hazardous Materials Committee:		
No activity planned		
Factory Operator's Committee:		
1988 Factory Operator's Meeting Estimated Cost	4313	$17,500
Factory Operator's Committee Meeting (Pgh.)	4320	300
Factory Operator's SUBTOTAL		$17,800
Industrial Relations Committee:		
1988 Wage & Benefit Survey	4321	1,300
May 1988 Committee Meeting	4320	100
October 1986 Committee Meeting (Pgh.)	4320	500
Industrial Relations SUBTOTAL		$ 1,900

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Budget - Fiscal Year 1988-89 (cont'd.)

Committee Meeting Expense	Account	Amount
Packaging & Shipping Committee:		
May 1988 Committee Meeting	4320	300
Packaging & Shipping SUBTOTAL		$ 300
Safety & Health Committee:		
April 1988 Committee Meeting (Pgh.)	4320	300
August 22, 1988 Committee Meeting (Pgh.) VII International Pneumoconiosis Conference	4320	300
Industry Safety Awards and Survey	4321	500
Safety & Health SUBTOTAL		$ 1,100
Technical Advisory Committee:		
October 1988 Committee Meeting, Illinois		
Meeting Room and Coffee Break	4320	300
March 1989 Committee Meeting,	4320	300
International Standards Organization Representation	4370	0
Technical Advisory SUBTOTAL		$ 600
Statistical Process Control Committee:		
May 1988 Committee Meeting	4320	300
SPC Booklet Printing	4320	1,000
Statistical Process Control SUBTOTAL		$ 1,300

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Committee Meeting Expense	Account	Amount
Refractories Research Center:		
Testing	4621	7,500
Capital Equipment	4623	7,500
RRC SUBTOTAL		$15,000
Foundation In Refractories Education:		
15 Scholarships @ $1,000/each	4610	0
1 Scholarship @ $2,000	4610	0
F.I.R.E. SCHOLARSHIP/PROJECT SUBTOTAL		0

Total Industry Activities Expenses

4313	Factory Operator's Meeting	$ 17,500
4320	Committee Meetings	3,700
4321	Committee Maintenance	2,800
4550	Special Project (Silica Consultant)	15,000
4621	RRC Testing	7,500
4623	RRC Equipment	7,500
	1988-89 Total	$ 54,000

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THE REFRACTORIES INSTITUTE

1988-89 BUDGET

I N C O M E

310 ACCOUNT Membership Dues

(Active/Associate)

The income budget recommendations for 1988-89 were developed assuming revenue sources from both Active and Associate Institute Members, and from investment income, meetings, publications, and anticipated new members. The Active Members paying minimum dues will now be assessed at the rate of $2400 yearly; the Associate Members will now be assessed according to the three tier plan instituted by the Board at the October 28, 1987 Board Meeting. After determination of total needed expenses, all income, exclusive of dues is added, and the difference then becomes the dues income amount to be assessed of Active and Associate members.

The Active membership of The Institute has for many years stayed in a range of 55-60 members, and the Associate membership has averaged about 30. There is a base membership of about 40 Active members who have virtually been with The Institute from the start. It is a major Institute concern to retain all members, and to recruit new members. More active participation by Associates in The Institute should make it easier to develop a recruitment plan for potential Associate members.

Dues income is still the primary source of financial support for Institute activities.

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330 ACCOUNT Interest on Reserves

The estimated interest anticipated from reserves could be higher over the next fiscal year. Interest rates remained in the 6 - 7.5 percent range during the last fiscal year. However, there is a projected upswing next year. As of this writing, most jumbo CD's are in the 9% range, and it is anticipated that the rates will remain at this point into the third quarter of next calendar year. More aggressive investment will increase the exposure of TRI funds to market fluctuations, and this has been determined not to be a good idea.

The Institute, in addition to the $600,000 in reserves, earns interest from money in checking and liquid accounts throughout the year. Interest from these accounts, plus interest from money in checking and flexible accounts throughout the year make up this category.

The total invested reserve is capped at $600,000. All interests are projected at $54,000 for fiscal 1988-89.

340 ACCOUNT Income From Publications

The revision and printing of the "Refractories" brochure has generated strong sales for this popular publication. The market potential of this publication will start to decrease, but will remain strong. Some sales can be expected from the Product Directory and the Community Right-to-Know Guide. All publications are expensed initially, and no inventory is carried as an asset.

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350 ACCOUNT Income from Meetings

Income from major Institute meetings generally defrays only part of the total cost of a meeting function, with the exception of the Factory Operator's Meeting, where The Institute is able to cover most variable costs exclusive of staff and counsel. Most associations try to break even on all meetings and use some of their major meetings as revenue producers. The Institute still does not assign certain overhead costs to the meeting, i.e. staff support, counsel costs, Institute printing expenses, etc. Any special meeting organized for the members which is not planned in the budget has a registration fee structured to clear overhead, including costs of counsel attendance and major staff expenses, less salaries.

The Spring Meeting in 1988 in Kiawah will be expensive for The Institute because the location has a European Plan. It is recommended that the Spring Meeting registration fees remain at $250.00 for the first registration, and $150 for each additional registration. The Factory Operator's Meeting will again include a factory tour, and the costs will be about the same as 1987. It is recommended that the registration for the Factory Operator's Meeting be set to cover all meals. Nonmember registration is recommended, with a fee of $250. Encouraging nonmember attendance has been another means of introducing prospective members to The Institute. The Institute plans to hold Fall Meetings in Pittsburgh. It is cheaper for staff and counsel costs to hold it in Pittsburgh, with a recommended $50 registration fee.

The production costs of major meetings have increased slightly, but the overall presentation of the meetings has improved. All cost of active committee meetings are covered by The Institute.

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360 ACCOUNT Miscellaneous Income

There is generally no income anticipated in this category. However, The Institute includes registration income from any unplanned meetings, symposiums, special printings, or events in this account. Some associations receive substantial support from special training courses, publications, and exhibition fees at annual meetings. TRI has never done this.

390 ACCOUNT Grant Income

There were grants made a few years ago from OSHA to prepare a series of safety training programs. There are no grant applications currently pending. However, considering the subject and importance of an issue, a grant from OSHA or other health related agencies are a possible supplemental funding source. The only real restriction placed on a recipient of a grant is that the information or product produced by the grant be made available to the public. There are at present no OSHA grant funds available.

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E X P E N S E S

4100 ACCOUNT	Staff Salaries	
	1987-1988 Budget	1988-1989 Recommendation
	$191,800	$198,200
Merit budget	7,000	4,000
	$198,200	$202,200

The Institute staff now consists of five (5) people, and is not projected to increase in number during the year. A merit increase (4.0%) is recommended in the 1988-1989 budget, consistant with current refractory and general industry averages. Considerations for merit increases are calculated at different times of the year, rather than all at the beginning of the fiscal year, based on the salary administration plan adopted last year. The merit budget represents the fiscal year budget impact only.

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4120 ACCOUNT	Employee Payroll Tax	
	1987-1988 Budget	1988-1989 Recommendation
Social Security	$ 9,400	$10,000
Federal Unemployment Compensation	700	700
PA State Unemployment Compensation	1,050	1,100
	$11,150	$11,800

All above figures based on five employees and calculated by the bank.

4130 ACCOUNT	Retirement Benefit	
	1987-1988 Budget	1988-1989 Recommendation
	$2,100	$2,100

The Institute pays a monthly retirement annuity of $175 a month to Mrs. Betty Lersch.

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4140 ACCOUNT SEP

1987-1988 Budget	1988-1989 Recommendation
$17,300	20,200

The Simplified Employee Pension (SEP) is paid to an employee after he or she has worked one year and has reached the age of 21. The 1986 Tax Reform Act changed the elegibility limits to age 21 from age 25. The SEP is calculated on a calendar year, January 1988 to December 1989. The SEP is paid to each eligible employee in February 1989, and is calculated at 10% of total base salary. All employees will be covered in the calendar year 1988. Pension distributions made payable to the employee's chosen investment location, i.e. bank or stock brokerage house. There is no investment management charge to The Institute as each employee manages the placement of the investments.

4150 ACCOUNT Employee Insurance Benefit

1987-1988 Budget	1988-1989 Recommendation
$12,000	$12,000

Includes Staff Term Life Insurance, Dental and Supplemental Insurance with the American Society of Association Executives. This account also includes Hospitalization Insurance with Western Pennsylvania Blue Cross for three members of the staff and long-term disability insurance for all members of the staff. Mr. Marvin's health coverage is through The U. S. Army Champus, and Mr. Gleeson receives health coverage through his former employer.

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4200 ACCOUNT City of Pittsburgh Business Privilege Tax

1987-1988 Budget	1988-1989 Recommendation
$650	$680

Tax is based on total nondues income of Institute; includes sale of publications, interest earned, and registration fees. Current rate is .006 mills.

4210 ACCOUNT Insurance

The Institute carries a number of insurance coverages which are billed through a broker. The major concern the last several years has been the acquisition of Directors and Officers liability insurance, which for some industry groups is not available at any price. The market price now seems to have stablized.

The individual policy coverages are listed, but are carried under one account number in the budget.

Hager Associates	1987-1988 Budget	Estimated Actual	1988-1989 Recommendation
Property Insurance	$1,250	$1,140	$1,250
Computer Insurance	$ 500	$ 500	$ 500
Workman's Comp.	$1,000	$ 920	$1,000
Bond Insurance	$ 250	$ 219	$ 250
Officer & Director	$5,000	$4,750	$5,500
TOTAL	$2,570	$7,529	$8,500

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4221 ACCOUNT Office Supplies

1987-1988 Budget	1988-1989 Recommendation
$11,100	$11,000

This general account includes all of the paper supplies for The Institute, envelopes and mailing packets, and miscellaneous office supplies. There has been a steady price increase in paper products over the last few years, and The Institute continually reviews all paper purchases to standardize sizes, color, etc. As committee activity fluctuates, so does paper usage.

4222 ACCOUNT Office Equipment Maintenance and Rental

1987-1988 Budget	1988-1989 Recommendation
$ 7,300	$ 8,000

The Institute owns all its office equipment, except the postal meter which cannot be purchased. In addition, it has maintenance contracts on all equipment. At present, The Institute has maintenance contracts with the Xerox copier, Friden mailing equipment, IBM typewriters, Scriptomatic labeling machine, CPT word processor, Olivetti memory writer, and an IBM PC-AT computer.

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4222 ACCOUNT (cont'd) Office Equipment Maintenance and Rental

Although we own the mail machine, we cannot legally own the mail machine meter. We must pay for all repairs or agree to a maintenance contract for it. There is great competition between manufacturers of office equipment and it is possible to change the maintenance contract holder on certain equipment to a different vendor. However, the cost of maintenance will always increase.

MACHINE	AMOUNT	PER.	TYPE	BILLED
MAIL MACHINE METER	2400.00	yr	rental	monthly
MAIL MACHINE METER	400.00	yr	maint.	January
MAIL MACHINE SCALE	451.00	yr	maint.	June
CPT	1654.00	yr	maint.	July
XEROX	1375.00	yr	maint.	March, Sept.
SCRIPTOMATIC	239.00	yr	maint.	June
IBM-PC AT	800.00	yr	maint.	August
KROY MACHINE	132.00	yr	maint.	July
IBM TYPEWRITERS (2)	273.00	yr	maint.	December
OLIVETTI MEMORY WRITER	300.00	yr	maint.	January

4230 ACCOUNT Postage

1987-1988 Budget	1988-1989 Recommendation
$11,000	$11,000

Postage continues to be a cost which reflects general Institute activity. The Institute has a special Third Class mailing permit for the Newsletter, and

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4230 ACCOUNT(cont'd) Postage

nonpriority mailings to members are generally sent once a week. The Institute makes extensive use of United Parcel Service, and a special permit for printed materials. A meter machine permits The Institute to mail at 1/2¢ increments. This is important for mailings of the Newsletter. The postage meter allows for separate records to be maintained for each major mailing. This permits an accurate accounting for continuing projects, i.e., newsletter or past planning for yearly projects such as the Spring Meeting. Addendum mailings for the Title III Guide are also expensed in this account. As of April 17, 1988 the postage rate will be increased to 25¢ a letter. This has been incorporated in the recommendation.

4240 ACCOUNT Telephone

1987-1988 Budget	1988-1989 Recommendation
$ 7,000	$ 6,200

The telephone costs have declined over the past few years as a direct result of effort to consolidate service, and move to the cheapest long distance service. The Institute used MCI, and now is with Allnet Communications for long distance service. Local service is with Bell Telephone, and we own all the phones. Phone service still helps The Institute reduce travel and provide individualized service to members.

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4250 ACCOUNT Rent

1987-1988 Budget	1988-1989 Recommendation
$26,960	$26,700

Our present rental contract runs from July to June. At an assumed 4% maximum increase, the rent for the year is a combination of base, and escalation.

Our lease is now in the fourth year of a five year term. In June 1988, we will begin to renegotiate our lease. Our present lease states that the leasee can not pay less than what the leasee is paying at the end of the lease.

4260 ACCOUNT Depreciation

1987-1988 Budget	1988-1989 Recommendation
$ 5,340	$ 4,500

All of the purchased office equipment is being depreciated on a straight line basis over a five year period. Although depreciation is a non-cash item, accounting principles require it be shown as an expense item as it does effect total Current Assets, and Net Worth. This appears on the annual audit. It is shown in this portion of the planning book, but will not appear on the budget sheets as it does not affect the cashflow.

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4260 ACCOUNT(cont'd) Depreciation

Depreciation does not appear on monthly Cash Flow Statements, but does appear on quarterly Balance Sheets, in the Audit, and in the Planning Budgets, but not on the detailed budget and expenses. The word processor has been fully depreciated and the computer and memory typewriter have been added to depreciation.

4301, 4302, 4303 ACCOUNT Staff Expense

1987-1988 Budget	1988-1989 Recommendation
$21,200	$21,800

Each member of the staff is accountable for managing staff expenses. The increasing costs of travel comprise a large part of each estimated expense. These personal expense costs are related to the participation in activities and specific programs of The Institute listed. Variances are dependant on staff involvement on industry related issues.

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4311 Account — Spring Membership Meeting

1987-1988 Budget	1988-1989 Recommendation
$21,000	$28,000

In addition to meeting room and audiovisual equipment rentals, TRI budget covers all meeting preparation, printing, mailing, food, and beverage costs for Chairman's Reception and Chairman's Dinner. Also included are projected speakers' fees. Efforts are focused to secure speakers who can provide substance to the meeting and are interesting, at a reasonable cost. The meeting at Kiawah is on the European Plan, which means all special food events are paid for by The Institute. The direct expenses of staff and counsel to attend the meeting is not added to the estimated expense. With the present registration fee and estimated attendance, the meeting will not break even.

4312 Account — Fall Membership Meeting

1987-1988 Budget	1988-1989 Recommendation
$ 6,100	$ 6,100

In addition to meeting room and audiovisual equipment rentals, the budget covers all meeting preparation, food and beverage costs for Chairman's Reception and the second day luncheon. Also included are projected speaker's fees. Projected income for this meeting is estimated at an attendance of 95 people.

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4313 ACCOUNT Factory Operators Meeting

1987-1988 Budget	1988-1989 Recommendation
$17,500	$17,500

A more complete explanation of this budget item is included in Section V, page 12.

4320 ACCOUNT Standing Committee

1987-1988 Budget	1988-1989 Recommendation
$ 2,300	$4,500

Costs associated with the actual meetings are included in this account. See Sections V for estimated individual committee costs.

The expenses in this category are the costs of meeting materials, luncheons, and meeting room expenses for all active standing committee meetings. Most committee meetings are one day events. Counsel expenses for meeting attendance are calculated as time charges which are shown in account 4520 number. Other reimburseable counsel expenses (travel, room), are shown in account number 4521. Staff expenses for meeting attendance are listed in 4301, 4302, and 4303. Other related committee meeting expenses are in the next account, 4321. A breakdown of all of these accounts, based on estimated meeting schedules for Fiscal 1988-1989, is included as part of Section VII and IX.

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4321 ACCOUNT — Committee Maintenance

1987-1988 Budget	1988-1989 Recommendation
$ 4,000	$4,000

This account was first established in 1985 to handle additional costs of standing committee support activities that are not actual meeting day, room or meal charges. These charges are actually yearly entitlements and include the the annual Wage and Benefit Survey ($1,300), the annual awards and survey for the new Safety Awards Program ($700), and maintenance of State Right-to-Know Laws ($900) and the annual Survey for Energy Usage ($1,000).

4351 ACCOUNT — Board of Directors

1987-1988 Budget	1988-1989 Recommendation
$4,000	$ 4,200

This account covers the March Board Meeting in Washington, DC, involving several meal functions and a reception for the Board of Directors, and other support activities for this two day meeting.

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4352 ACCOUNT	Executive Committee	
	1987-1988 Budget	1988-1989 Recommendation
	$ 750	$ 1000

This covers some of the general arrangements for the January Executive Committee meeting.

4370 ACCOUNT	I. S. O.	
	1987-1988 Budget	1988-1989 Recommendation
	$ 2,000	$ 0

The Institute has traditionally continued to provide support of two members to attend the I. S. O. Meeting to represent the refractories industry in the United States and TRI, who, in turn, report on the activities to the members. No ISO meeting is scheduled in 1988.

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4400 ACCOUNT — Census Report

1987-1988 Budget	1988-1989 Recommendation
$18,600	$ 0

The Commerce Department produces a yearly report and businesses involved are required to supply information on at least an annual basis. The Census Bureau produces only quarterly reports, not semi-annual.

The Institute received a bill for $19,700 for the quarterly report, plus a $4800 bill for the Table #4 "Shipments by Type of Refractory Consumer." This latter report had been received previously, but the Census said they had neglected to bill The Institute for this report. On October 28, 1987, The Board of resolved to eliminate this report.

4411 ACCOUNT — Xerox Printing

1987-1988 Budget	1988-1989 Recommendation
$2,000	$2,000

In addition to the maintenance cost, a usage charge, partially based on the number of sheets run, is used to adjust the maintenance cost. The Institute balances the use of the Xerox copies, against small printing jobs done commercially. The Institute purchases paper from sources other than Xerox.

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4412 ACCOUNT — Commercial Printing

1987-1988 Budget	1988-1989 Recommendation
$ 5,500	$5,500

The Institute produces a number of small run printing projects that are too complicated to produce on the Xerox machine, ie updates to Title III. There is a steady increase in cost of paper and services which now makes even small jobs more expensive. The cost of the Refractory News is included in this account at about $260 per issue. The mailing list of the News is constantly reviewed. Sales of the Newsletter offset some of the cost. Included also is the cost of maintaining an updated Membership Directory of The Institute. Changes in the Directory are to be made following each Board Meeting. This was not followed in 1987 in anticipation of some major company changes that were delayed.

4413 ACCOUNT — TRI Publications

1987-1988 Budget	1988-1989 Recommendation
$ 4,000	$ 8,000

TRI Publications account carries expenses for productions that must be done outside The Institute due to color, composition, etc. The Issue Manual is updated biennually and distributed to all Committee Members and Official Representatives. Product Directory production costs will begin this year.

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4420 ACCOUNT — Subscriptions and Publications

1987-1988 Budget	1988-1989 Recommendation
$ 2,500	$ 2,500

This category includes subscriptions to The Wall Street Journal, and The Federal Register. Also included is the acquisition of articles and information from the Superintendent of Documents, National Technical Information Services, Canadian Statistics etc. All of these subscriptions provide background and information sources for The Institute or provide intelligence on relevant industries with whom The Institute is involved. Also included are publications, periodicals, and books purchased through the year as needed background and resource information.

Subscriptions	Rate/Yearly
American Society of Association Executives	$ 40.00
British Refractories Journal	55.00
Directory of Trade Associations	38.00
Iron & Steel Magazine	28.00
Matthew Bender--Law of Associations	83.00
Superintendent of Documents - Federal Register	500.00
33 Metal Producing	112.00
The Wall Street Journal	95.00
Washington Monitor-an index to Congress and Administations	225.00

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4430 ACCOUNT — Organization Dues

1987-1988 Budget	1988-1989 Recommendation
$ 4,000	$4,900

Each organization is carefully reviewed each year and each provides an access into another level of information and intelligence for The Institute and staff. Membership with the American Society of Association Executives entitles us to purchase dental and life insurance for the staff. The NAM provides entry into the national area, and TRI is a member of NAM's Association Council. TRI dropped its membership with the National Chamber of Commerce a few years ago. The Public Affairs Council provides both a federal and state political intelligence source with about 1200 companies nationwide.

Organization	Dues/Yearly
American National Standards Institute	$ 1,500
American Society of Association Executives (ASAE)	225
Greater Pittsburgh Chamber of Commerce	300
Industrial Health Foundation	400
National Association of Manufacturers	850
Pennsylvania Chamber of Commerce	125
Public Affairs Council	1,000
Chrome Coalition	500
	4,900

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4500 ACCOUNT — Accounting

1987-1988 Budget	1988-1989 Recommendation
$ 1,850	$ 1,850

This account includes preparation of the member dues schedule and collection of the members payroll information by KPMG/Peat Marwick Main and Company.

4510 ACCOUNT — Auditing

1987-1988 Budget	1988-1989 Recommendation
$ 3,850	$ 3,650

This account covers the annual audit of Institute accounts for fiscal year, April 1, 1986 through March 31, 1987, and is performed by KPMG/Peat Marwick Main and Company.

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4520 ACCOUNT — Legal

1987-1988 Budget	1988-1989 Recommendation
$48,000	$40,000

This account represents a yearly retainer paid monthly to Mr. H. W. Fulton, Jr. of Laubach, Fulton and Jeselnik for services performed for The Institute. Details of services to be performed are outlined in a contract reviewed and approved by the Board of Directors annually.

4521 ACCOUNT — Reimbursed Legal Expenses

1987-1988 Budget	1988-1989 Recommendation
$ 5,000	$2,800

Fees paid to counsel are for a basic retainer for legal services. Expenses for travel and other meeting attendance expenses are reimbursed and shown in this account.

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4550 ACCOUNT — Special Projects

1987-1988 Budget	1988-1989 Recommendation
$23,000	$18,000

This account is used to cover costs for the projects that do not easily fit in other categories and do not justify their own account. This account is also used for specific staff training and any special activities of The Institute which do not fit easily in another category. Staff training is anticipated each year to improve personal effectiveness. The last several years, costs related to the special support program on silica, were carried under this account. This silica project support is also projected for 1988-89, at $15,000.

4780 ACCOUNT — History Project

1987-1988 Budget	1988-1989 Recommendation
$ 5,000	$ 0

The history project was finished in the fiscal year 1987-88, and there are no projected expenses in the years ahead. The remaining money in the Special account at year's end will be transferred to the general account after the audit is performed. As part of the agreement between ACS and TRI, The Institute will receive 40% of the sale price of each history sold, after ACS has recaptured its production costs. This additional income will be shown in Publications Income each year forward.

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4610 ACCOUNT F.I.R.E.

1987-1988 Budget	1988-1989 Recommendation
$ 2,000	$ 0

This account carried scholarship awards money distributed selected universities offering degrees in Ceramic Engineering/Ceramic Science/Material Science. The Trustees of F.I.R.E. had, in past years, recommended that 15 scholarships at $1,000 each be awarded, and in addition, one special $2000 research scholarship.

There is no recommendation for any scholarship in Fiscal 1988-89.

4621 ACCOUNT RRC Testing

1987-1988 Budget	1988-1989 Recommendation
$ 7,500	$7,500

For information on The Refractory Research Center see Section V, Page 25.

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4623 ACCOUNT	RRC Equipment	
	1987-1988 Budget	1988-1989 Recommendation
	$ 7,500	$7,500

It is recommended by the Technical Advisory Committee that $7,500 be provided annually to support the purchase of equipment at RRC. The type of equipment would be determined by RRC at a later date.

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	ACCOUNT TITLE	ANNUAL BUDGET	EST. ACTUAL 1987-88*	RECOMMENDATION 1988-89	RECOMMENDATION 1989-90	RECOMMENDATION 1990-91
3100	MEMBERS DUES ACTIVE	$367,660	$372,660	$303,195	$320,610	$311,400
	MEMBERS DUES ASSOCIATE	$51,000	$51,000	$101,065	$106,870	$103,800
3300	INTEREST ON INVESTMENTS**	$47,500	$47,000	$54,000	$54,000	$54,000
3400	PUBLICATION SALES					
	PRODUCT DIRECTORY	$3,500	$2,300	$1,000	$11,000	$6,500
	REFRACTORIES	$4,500	$8,500	$2,500	$2,500	$2,500
	PALLETIZING MANUAL	$0	$30	$120	$120	$120
	NEWSLETTER	$0	$500	$800	$800	$800
	TITLE III	$0	$4,000	$4,000	$1,000	$1,000
3500	MEETING REGISTRATION					
	SPRING MEETING	$21,250	$19,950	$21,000	$21,000	$21,000
	FALL MEMBERSHIP MEETING	$5,000	$4,250	$4,700	$4,700	$4,700
	FACTORY OPERATORS	$17,500	$15,450	$17,500	$17,500	$17,500
3600	MISCELLANEOUS INCOME	$0	$6,400	$500	$500	$500
	RESERVE USE	$15,000	$15,000	$0	$0	$0
3900	GRANTS OSHA	$0	$0	$0	$0	$0
3999	HISTORY PROJECT INCOME/ACS	$0	$0	$1,500	$1,500	$1,500
	TOTAL	$532,910	$547,040	$511,880	$542,100	$525,320

TOTAL CASH IN INVESTMENTS	$600,000
PROJECTED WORKING CAPITAL - 4/1/88 *	$50,000

* A RESULT OF HIGHER INCOME THAN PROJECTED AND LOWER EXPENSES THAN EXPECTED IN FISCAL YEAR 4/1/87 - 3/31/88

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	ACCOUNT TITLE	ANNUAL BUDGET	EST. ACTUAL 1986-87*	RECOMMENDATION 1988-89	RECOMMENDATION 1989-90	RECOMMENDATION 1989-90
	A. PAYROLL AND RELATED					
4100	SALARIES	$198,200	$194,400	$202,200	$206,500	$211,000
4120	PAYROLL TAXES	$11,150	$11,150	$11,800	$12,000	$12,000
4130	RETIREMENT BENEFITS	$2,100	$2,100	$2,100	$2,100	$2,100
4140	SEP	$17,300	$17,300	$20,200	$26,900	$29,600
4150	EMPLOYEE INSURANCE	$12,000	$11,050	$12,000	$14,100	$14,100
	TOTAL	$240,750	$236,000	$248,300	$261,600	$268,800
	B. OFFICE EXPENSE					
4200	BUSINESS PRIV. TAX	$650	$650	$680	$700	$720
4210	INSURANCE	$8,000	$8,000	$8,500	$9,000	$9,500
4221	OFFICE SUPPLIES	$11,100	$10,200	$11,000	$11,000	$11,000
4222	EQUIP. RENT AND MAINT.	$7,300	$7,300	$8,000	$8,000	$8,300
4230	POSTAGE	$11,000	$10,750	$11,000	$11,000	$11,000
4240	TELEPHONE	$7,000	$6,500	$6,200	$6,200	$6,500
4250	RENT 301 FIFTH AVE	$26,960	$26,960	$26,700	$26,500	$27,000
	OFFICE EQUIP. PURCHASE	$0	$0	$0	$0	$0
	TOTAL	$72,010	$70,360	$72,080	$72,400	$74,020
	C. INSTITUTE ACTIVITIES					
4301	STAFF EXPENSE -PRES	$7,800	$7,800	$8,000	$8,000	$8,200
4302	STAFF EXPENSE -VP IND	$9,400	$9,400	$9,800	$9,800	$9,800
4303	STAFF EXPENSE-GOV'T*	$4,000	$4,000	$4,000	$4,500	$4,500
4311	SPRING MEETING	$21,000	$22,517	$28,000	$30,000	$22,000
4312	FALL MEETING	$6,100	$4,400	$6,100	$6,100	$6,100
4313	FACTORY OPERATORS	$17,500	$12,997	$17,500	$17,500	$17,500
4320	COMMITTEE MEETING EXP	$2,300	$800	$4,500	$4,000	$4,000
4321	COMMITTEE MAINTENANCE	$4,000	$4,000	$4,000	$4,000	$4,000
4351	BOARD OF DIRECTORS	$4,000	$4,000	$4,200	$4,200	$4,400
4352	EXECUTIVE COMMITTEE	$750	$750	$1,000	$1,000	$1,000
4370	ISO	$2,000	$2,000	$0	$2,000	$0
	TOTAL	$78,850	$72,664	$87,100	$91,100	$81,500
	SUBTOTAL PAGE 2	$391,610	$379,024	$407,480	$425,100	$424,320

	ACCOUNT TITLE	ANNUAL BUDGET	EST. ACTUAL 1986-87*	RECOMMENDATION 1988-89	RECOMMENDATION 1989-90	RECOMMENDATION 1989-90
	D. DUES AND PUBLICATIONS					
4400	CENSUS REPORT	$18,600	$0	$0	$0	$0
4411	XEROX PRINTING	$2,000	$2,000	$2,000	$2,000	$2,000
4412	COMMERCIAL PRINTING	$5,500	$6,000	$5,500	$6,000	$6,000
4413	TRI PUBLICATIONS	$4,000	$6,000	$8,000	$20,000	$4,000
4420	SUBSCRIPTIONS	$2,500	$2,500	$2,500	$2,500	$2,500
4430	ORGANIZATION DUES	$4,500	$4,500	$4,900	$5,000	$5,000
	TOTAL	$37,100	$21,000	$22,900	$35,500	$19,500
	E. PROFESSIONAL SERVICES					
4500	ACCOUNTING	$1,850	$1,850	$1,850	$1,850	$1,850
4510	AUDITING	$3,850	$3,850	$3,850	$3,850	$3,850
4520	LEGAL	$48,000	$40,000	$40,000	$40,000	$40,000
4521	LEGAL REIMBURSED EXP.	$5,000	$4,500	$2,800	$2,800	$2,800
4540	SPECIAL SURVEYS	$0	$252	$0	$0	$0
4550	SPECIAL PROJECTS	$23,000	$15,000	$18,000	$18,000	$18,000
	TOTAL	$81,700	$65,452	$66,500	$66,500	$66,500
	F. F.I.R.E.					
4610	F.I.R.E. SCHOLARSHIPS	$2,000	$2,000	$0	$0	$0
4611	F.I.R.E. PROJECTS	$0	$0	$0	$0	$0
	TOTAL	$2,000	$2,000	$0	$0	$0
	G. RRC EXPENSE					
4621	RRC TESTING	$7,500	$7,500	$7,500	$7,500	$7,500
4623	RRC EQUIPMENT	$7,500	$7,500	$7,500	$7,500	$7,500
	TOTAL	$15,000	$15,000	$15,000	$15,000	$15,000
4780	H. HISTORY	$5,000	$5,000	$0	$0	$0
	TOTAL	$5,000	$5,000	$0	$0	$0
	SUBTOTAL PAGE 3	$140,800	$108,452	$104,400	$117,000	$101,000
	SUBTOTAL PAGE 2	$391,610	$379,024	$407,480	$425,100	$424,320
	GRANDTOTAL *****	$532,410	$487,476	$511,880	$542,100	$525,320

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