

**ISM – RIF Quality Assurance Committee
Telephone Conference - Meeting Minutes
November 7, 2003**

A meeting of the ISM – QAC was held at 2:00 pm ET November 7, 2003 via telephone conference for the purpose of reviewing subcommittee activities and any outstanding issues.

CALL TO ORDER: Chairman Martin Quintal opened and called the meeting to order.

ATTENDEES: The following members or participants were in attendance: Martin Quintal, Mark Lumadue, Ed Hildebrand and Mike Smorynski replacing Mr. Sommerville from Griffin Wheels.

ANTI-TRUST STATEMENT: Following a roll call of participants, Chairman Quintal read the Anti-trust Disclaimer statement and reminded all participants of their responsibilities.

TELEPHONE CONFERENCE LINE: Thanks to CP Rail for the conference bridge arrangements.

FUTURE OF THE QAC: Chairman Quintal issued a letter to the Committee members on October 17 to continue the discussions on the future of this Committee. Several members' comments were received over the last few weeks, they are appended at the end of this document.

Most of the discussion during the call was around the Registry. Ed Hildebrand mentioned that the smaller suppliers benefit from the registry as it gives them a recognition that they couldn't afford with ISO 9000 or AAR M-1003. Some suppliers also use this quality standard to qualify their own suppliers. Chairman Quintal, on the other hand, suspects that the railroads are not using the registry as a quality requirement to do business with them. This is perhaps reflected by the lack of participation in the Committee's activities. A survey will be conducted to evaluate the level of utilization of the registry among the railroads, transit agencies and tier one suppliers.

We also talked about the fact that the registry is published quarterly in The Pocket List of Railroad Officials at no charge. Suppliers enjoy additional publicity and exposure. Ed Hildebrand reports that the registry process is working smoothly, requests are reviewed in a timely fashion and new entries continue to flow in. In the event of a disbandment of the QAS Committee, we should look at alternate ways to maintain the Registry Group working. We talked about possibly merging it with another RIF Committee or migrating it to another association.

Chairman Quintal will also contact Mr. Rodney Doerr from the UP to understand the direction being taken by the RIF Executive Committee.

MEMBERSHIP: No new business or committee update.

WARRANTY WORKING GROUP: Bill Smith was not in attendance to update the committee on the Warranty Working sub-committees efforts to develop a standard for bar code identification of railroad industry components based upon an original request from the RIF-QAC. However, Bill provided an update by email, stating that he is waiting on Pat Ameen to put the spec out for public comment. Tom Stahura has already drafted up the AAR Circular Letter and it's on Pat's desk. Still hoping it will go out this year.

RSI – QAC CONFERENCE PLANNING: Brian Blackwell was not on the call however he sent Chairman Quintal an email providing a status update and a statement of income and expenses for the 2003 Conference. The following is an excerpt from the RSI QAC September 2003 Minutes:

"Background: The 2003 Quality Conference has been scheduled to coincide with the combined AAR Technical Conferences. Meetings have been held with RSI and the Committee of the Coordinated Associations.

Action Required:

Discuss any issues to be considered during or after the conference. In order to provide an improved product to the industry the Chairman recommends that a meeting be held to discuss the following:

1. The results of the 2003 conference
2. Plans for the 2004 conference including location and any logistical changes/improvements
3. Addition of an auditors forum to receive direct input from AAR auditors
4. The assignment of a conference planning working group from RSI, AAR and ISM.

Action Taken:

Robyn Leach will be requested to provide the 2003 conference survey results. The committee assigned a working group consisting of B. Blackwell, H. Davies, J. Shomo, E. Hildebrand, J. Cooke, and R. Leach to arrange the 2004 conference. The AAR QAC should be requested to advise if they would like a representative on this working group.

Ms. Robyn Leach provided the following financial update for the 2003 Quality Conference.”

POLICY: No new business or committee update.

REGISTRY: Nothing new to report. See Registry related comments in the Future of the QAC section above and in the Appendix below.

MISCELLANEOUS: The website needs to be updated with the appropriate officers and contact names.

NEXT CONFERENCE CALL: The next conference call will be in January 2003. A date will be selected at a later time. Chairman Quintal will arrange.

(See Appendix below)

APPENDIX – Comments received in response to the October 17 letter on the future of the ISM QAC Committee.

1. From: Lane, Mike J (TRANS) [mailto:Mike.Lane@Trans.ge.com]
Sent: Friday, October 17, 2003 12:56 PM
Subject: RE: ISM-RIF QAC - Committee's future

Martin,

I agree that this committee probably needs to end; a one year time frame might be the best. There needs to be some discussion as to where the various functions need to go. I don't know whether or not there will be time to discuss this on the next call. It may require a separate meeting with a very specific agenda.

Thanks.

Mike

2. From: thomas.r.bump@gm.com [mailto:thomas.r.bump@gm.com]
Sent: Friday, October 17, 2003 1:28 PM
Subject: Re: ISM-RIF QAC - Committee's future

Your memo logically addresses the issues that need to be resolved. The existence of the quality committee is fundamentally dependent on the health of the railroad industry and the quality of the products which they receive. A decline in the railroad's interest has been obvious for about a 5 year period and so I think it is time to take the steps you are suggesting.

Regards,

Thomas R. Bump
Director, Global Supplier Quality and Development
General Motors Corp.

3. From: Crqsinc@aol.com [mailto:Crqsinc@aol.com]
Sent: Tuesday, October 21, 2003 8:35 AM
Subject: Re: FW: ISM/QAS Phone Conference - November 7 at 14h00 Eastern Time CORR

Martin, I will not be able to be there on Friday; however I do want to stress the importance of the Register of Suppliers as many companies use this to approve their suppliers and I know of 2 Class I Railroads that also use the ISM Registry. If you note on the web site this has just been updated and the next issue of "Pocket List of Railroad Officials" will have the new listing. We have at least 20 more listings to be presented to the Board of Review in the next few weeks. The activity is greater now than ever before. If you do chose to sunset the Registry we will need to maintain the list till all suppliers listed are out of date. That will be three years hence.

Take care

Ed Hildebrand

4. From: Smith, William D [mailto:William.Smith@bnsf.com]
Sent: Tuesday, October 21, 2003 10:38 AM
Subject: RE: ISM-RIF QAC - Committee's future

Martin,

In response to your attached letter of October 17, 2003 I agree with your conclusions. I understand Rod Doerr's wish to continue the committee, however, we definitely need new direction and a solid mission statement. We should not have a committee just to have one. The railroad resources must be spent on productive industry improving quality initiatives. Once the Warranty & Equipment Identification Specification is implemented or dropped by the AAR, I will not be involved in future activities unless directed by BNSF's upper management. I will plan to be on the call on October 31st, which I assume is 9:00 AM (MST) or 10:00 AM (CST) for us in the middle of the States. Please advise me on the call-in number once you receive it.

William D.(Real Bill) Smith
BNSF Manager Supplier Quality

5. From: Crqsinc@aol.com [mailto:Crqsinc@aol.com]
Sent: Friday, November 07, 2003 8:57 AM
Subject: ISM Phone Conference today Registry Status and My biased opinion

Members of the Board of Review. I may not be able to call in today so just in case here is the latest.

Status of the listed suppliers on the web site-updated in October- and in the *Pocket List of Railroad Officials*. We currently have 140 suppliers on the list with at least 25 more in the pipeline-applications already received and being scanned in as we speak. I did a conservative cursory count and 25 of the 140 are not ISO or AAR. Many are ballast, communications shops, minor trackwork, fastener, and small car parts fabricators.

I may be a bit biased in the validity of the Registry, as I was the first Chairman, but this listing provides Railroad Suppliers a means of controlling their lesser suppliers and many suppliers, some large suppliers, use the ISM listing as a means to control subsequently their suppliers. A lot of companies are going to have to change their subcontractor approval process if this registry goes away. You may also want to check with your MW or Signal Departments to see if they use this registry.

My small company will lose its listing as we use the NJT Audits of us to be listed on the Registry. Many others will fall through the cracks as well. As a minimum I believe the Registry needs to survive so that we can take advantage of audits conducted by other Railroads and entities. The AAR covers only a small Percentage of Suppliers. This Registry was the **preventive action** taken in 1991 to cover this hole. In my count above of those not AAR or ISO, the suppliers that are ISO but not AAR Reciprocals will also fall through the cracks. For as simple as we have made the Registry process, For as little effort required by us I find it to be a waste to lose this already established valuable tool!

Ed Hildebrand

6. From: RNDOERR@up.com [mailto:RNDOERR@up.com]
Sent: Sunday, October 19, 2003 10:58 AM
Subject: Re: FW: ISM-RIF QAC - Committee's future

Thank you, Martin - - -

I am trying to schedule a conference all among the VPs and all interested to try and build the future for RIF. . . further, I have solicited feedback from, I thought all parties involved, but clearly missed your email address . . . I do not have very good documentation to follow, so I am trying to "feel" my way. I would like to speak with you, when your schedule allows.

I hate to see the QAC group disband, but I also know there exists little support. Can the focus be changed to say Product labeling, registrations, and part ID to generate interest in the committee - - - this information would allow the industry at a global level to track say failure rates??

Any ideas??

Rod

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REGISTRY UPDATE: No new business or committee update.

NEW BUSINESS: No new business items were presented at the meeting.

NEXT MEETING: The next Committee Teleconference Call will be held on **October 24th** at **11:00 ET**. The teleconference bridge number will be 1-800-565-5185 with identification passcode 149714#.

An agenda will be furnished in advance by Chairman Quintal.

Meeting Adjourned at 11:45 ET.

Submitted by: Terry L. Schindler