

**ISM – RIF Quality Assurance Committee
Telephone Conference - Meeting Minutes
July 18, 2003**

A meeting of the ISM – QAC was held at 11:00 am ET July 18, 2003 via telephone conference for the purpose of reviewing subcommittee activities.

CALL TO ORDER: Chairman Kurt Gansauer opened and called the meeting to order.

ATTENDEES: The following members or participants were in attendance: Kurt Gansauer, Martin Quintal, Ed Hildebrand, Dick Brodeur, Pat McDonald, Fritz Horn, Bill Legant, Mark Lumadue, Mike Lane, Bill Smith, and Terry Schindler.

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

TELEPHONE CONFERENCE LINE: The committee would like to express thanks to CP Rail for the conference bridge arrangements.

FUTURE OF THE QAC: Chairman Gansauer updated the committee on Luigi Armano's presentation at the ISM Executive Committee at Nashville, TN in May regarding the outreach efforts to Class I Purchasing Vice Presidents. A copy of Mr. Armano's presentation was distributed with the meeting agenda in advance of the conference call. The ISM-QAC received no new vision or direction from the Executive Committee. Mr. Armano did ask Mr. Rodney Doerr with the Union Pacific Railroad to become involved and serve as a representative on the Executive Board which would greatly enhance class 1 railroad participation.

Chairman Gansauer updated the committee on his presentation at the ISM-RIF board meeting May 19th. A copy of Mr. Gansauer's presentation was distributed with the meeting agenda in advance of the conference call. The general consensus is that the RIF in general and our group in particular are in trouble as far as participation by Class 1 railroads. Essentially we are a "Group without a Problem".

The take-away was that we essentially have three (3) avenues for our future:

- Maintain the Status Quo – We will need more Class 1 Railroad participation
- Downsize/Reduced Focus – Future efforts would center around maintenance of Registry
- Sunset – Disband and discontinue the committee.

It seems that we've gone full circle and our mission is still the same. It doesn't need any modifications or changes. Ensuing discussion resulted in action item to establish dialogue with the head of the procurement groups at the Class 1 railroads. ISM-QAC members were to solicit their respective VP's of Sourcing and Supply to confirm continued participation/support for the ISM-QAC and solicit input as to problem or opportunities for future focus by our committee.

Chairman Gansauer did take this opportunity to express appreciation and recognition for the involvement in the RIF-QAC by the BNSF Railway particularly Bill Smith and Terry Schindler.

MEMBERSHIP: Chairman Gansauer introduced Martin Quintal with the Canadian Pacific Railway as the next committee Chairman. Mr. Quintal assumed responsibilities of Chairman and conducted the remainder of the meeting.

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WARRANTY WORKING GROUP: Bill Smith was 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. The group was comprised of 26 part-time members. The last conference call held July 15, 2003 involved 11 of the committee members which reflects the efforts and level of commitment by those involved. He reviewed the original Mission Statement of the group: The Warranty Working Group's mission will be to review both new and existing technologies and business processes to develop a warranty administrative program suitable to railroads, suppliers, and OEM's. This will include development of an industry-recognized standard for equipment identification and labeling.

The efforts involved input and approval by the various AAR committees including the Executive Committee and will be out for the 30-day public review shortly. A copy of a short presentation recapping the critical elements of the groups efforts is available on the ISM-RIF web site in addition to the Spec2000 document. The final meeting will take place face-to-face in September.

RSI – QAC CONFERENCE PLANNING: Dick Brodeur updated the committee on this years program indicating that the RPI has issued a program brochure which will be held in-conjunction with the 42nd annual Railroad Suppliers Convention on September 24th and 25th in Chicago. The conference is broken down into three or four different presentation tracks for participant selection. Registration fee is \$325.00. Pat Macdonald and Dick Brodeur were asked to participate in the committee planning on behalf of the ISM-RIF QAC; however, Dick indicated that Brian Blackwell has pretty well taken the lead role and established conference schedules for the event without their involvement. Some questions to be answered yet include where to send presentations for inclusion on the compact disc (CD), if one is going to be produced.

REGISTRY UPDATE: Ed Hildebrand updated the committee indicating that we have approximately 200 participants on our registry and that the list will be updated shortly with approximately 20 new participants to be registered. There has been a fairly consistent amount of interest and activity by companies desiring to be listed with our Registry. He indicated that the web site was last updated in June 2003 and that we've been pretty successful in getting updates in the quarterly issues of the Pocket List.

NEW BUSINESS: Chairman Quintal highlighted that there are quality problems and issues in the industry and cited the ABC-Naco bolsters cast in Mexico issue. He indicated that this area may be an avenue for focus by our committee, specifically, the commonality in the issues and opportunities.

NEXT MEETING: Pre-meeting Conference Call on September 12th at 11:00 ET. Conference Bridge and agenda will be furnished in advance by Martin Quintal.

Meeting Adjourned at 12:15 ET.

Submitted by: Terry L. Schindler