

DATE: MONDAY, 28 OCTOBER 1996 8:19AM CT
TO: THOMAS.LHOTE
CC: WAYNE.SORENSEN, BILL.HARDT, BEN.C.PARR
FROM: BOB.CHEESEMAN
SUBJECT: CAPA

THE CAPA BOARD MEETING WAS HELD IN CHICAGO ON FRIDAY, OCT. 25. DETAILED MINUTES WILL BE SENT TO YOU IN THE NEAR FUTURE. THE PURPOSE OF THIS NOTE IS TO MAKE YOU AWARE OF SEVERAL DETAILS THAT I FELT WERE SIGNIFICANT.

- 1) THE CAPA BYLAWS WERE CHANGED TO ALLOW ANY BOARD MEMBER TO SERVE UNLIMITED TERMS. PREVIOUSLY A BOARD MEMBER WAS LIMITED TO TWO - THREE YEAR TERMS. C. DITLOW'S TERM WAS EXPIRING AND NOW HE CAN SERVE INDEFINITELY.
- 2) IT'S TIME FOR NEW OFFICERS AND GARY MELLINI WILL WORK WITH THE EXECUTIVE COMMITTEE TO NOMINATE NEW CANDIDATES. GARY SEEMS LIKELY TO CONTINUE AS PRES.
- 3) BUDGET ITEMS WERE REVIEWED AND IF SEAL SALES ARE AS PROJECTED THE FUNDING FROM INSURANCE COMPANIES CAN BE REDUCED. SEVERAL STRATEGIES TO BRING NEW MEMBER COMPANIES BACK TO CAPA WERE DISCUSSED. THE MOST INTERESTING IDEA WAS FOR EACH MEMBER COMPANY TO BRING A "FRIEND" FROM A NON MEMBER COMPANY TO THE ANNUAL MEETING.
- 4) THE QUALITY ISSUES CONTINUE TO BE THE MOST DIFFICULT SUBJECT. JACK GILLIS HAS AGREED TO MEET AT STATE FARM EARLY IN DECEMBER 96, TO FURTHER DISCUSS THIS ISSUE. THE MANUFACTURING COMPANIES CLAIM TO SELL ALL PARTS REGARDLESS OF CAPA CERTIFICATION. THE INCREASE IN THE CAPA SEAL PRICE TO 75 CENTS IS RAISING THE COST ISSUE TO A HIGHER LEVEL.
- 5) CAPA IS NEGOTIATING WITH ENTELA TO BE MORE COST EFFECTIVE. IT LOOKS LIKE A LONG TERM, FLAT RATE PRICE SCHEDULE WILL BE PROPOSED. SINCE THERE IS NO COMPETITOR BIDS INVOLVED THE NEGOTIATION WILL BE SOMEWHAT LIMITED TO A REDUCTION OF SERVICES. CAPA IS TRYING TO DO MORE OF THE WORK INTERNALLY AND WILL REQUIRE LESS FROM ENTELA.

IF YOU WANT MORE DETAIL OR HAVE QUESTIONS - I'LL TRY. 6-2199.