

ASTM Test Monitoring Executive Committee Meeting
March 18, 2014

ASTM Test Monitoring Center
Pittsburgh, PA

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Call to Order

ASTM D02.B0.08, the Test Monitoring Executive Committee, met on Tuesday, March 18, 2014 at 10:30 a.m. at the ASTM Test Monitoring Center office in Pittsburgh, PA. There were seven voting members present and one non-voting member.

Committee Members

Steve Kennedy, Present
Greg Shank, Present
Ron Romano, Present
Robert Stockwell, Present
Jerry Gropp, Present
Doyle Boese, Present
Jason Bowden, Present
Steve Kirby, Dial-In

Frank Farber, Present.

The agenda is shown as Attachment A.

Meeting Minutes

The minutes from the December 9, 2013 meeting were approved with one correction to the next meeting date.

Membership

The chairman asked that Frank Farber supply member term limit information to the committee. Frank agreed to contact Joe Franklin Sub B chair for this information and email it to the committee. The following was obtained after the meeting:

Below are the current committee member term eligibility limits that were requested at the Executive Committee meeting on Tuesday. The maximum consecutive years is 8. Two members Greg Shank and Bill Lam are not eligible for re-election at the end of 2014.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Steve Kennedy					P	P	P	P							
Greg Shank	U	U	U	U	U	U	U	U							
Ron Romano			U	U	U	U	U	U							
Stephen Kirby								U	U						
Robert Stockwell								U	U						
Bill Lam	P	P	P	P	P	P	P	P							
Jerry Gropp								P	P						
Doyle Boese								P	P						
Jason Bowden						G	G	G	G						

 Eligibility

TMC Income Analysis

Frank Farber presented information regarding the TMC's different income streams (see attachment B). Light-duty testing was better than expected in 2013. Heavy-duty and gear income were below expenses and are not felt to be at a sufficient loss to warrant action at this time. However, it was noted that the TMC should start to investigate per test billing options for the gear areas. Bench test income is felt to be at a level that warrants action. As can be seen from the presentation the bench test areas were not self-supporting in 2013. Analysis of 2012 data agrees with 2013 data. Bench test activity has increased significantly from 2009 levels. The majority of the increased test activity is a result of the EOEC and LDEOC test areas. The test volume has necessitated that two TMC staff members be dedicated to bench test activities. This compares to one staff member for each of the gear and crankcase sections. A review of TMC fee increases indicates that fees have not increased since 2007. Unlike other test areas the TMC does not charge laboratories for shipping. Jason Bowden noted that it would be better if the TMC utilized customer UPS and FedEx accounts to make bench test shipments. Shipping container cost increases were noted as not being reflected in current TMC sample fees. The members discussed the TMC fee increase proposal for bench tests and concluded with an objective for the TMC to develop a per test cost model for bench tests that would be reviewed by the Executive Committee via conference call. In addition, the TMC was tasked with developing a new sample cost proposal where shipments utilize customer shipping accounts. It was felt that a new sample cost could be implemented mid-year but a test fee increase would be best to implement at the start of 2015 so labs could budget appropriately.

Old Business

None.

New Business

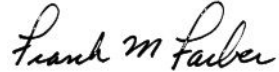
None.

GF-5 and PC-11 Discussions

The remainder of the meeting was dedicated to discussing GF-6 and PC-11 test readiness and the TMC's role in providing services for the matrices. The TMC indicated that if suppliers could supply oils that would not have to be homogenized that would help cut-down the time to distribute matrix oils.

The meeting ended at 2:30 pm.

Respectfully submitted,

A handwritten signature in black ink that reads "Frank M. Farber". The signature is written in a cursive, flowing style.

Frank M. Farber, Secretary
ASTM Test Monitoring Executive Committee

FMF/fmf
Attachments

ASTM TEST MONITORING BOARD MEETING
Tuesday – March 18, 2014
10:30 AM - 3:30 PM
ASTM Test Monitoring Center
6555 Penn Avenue
Pittsburgh, PA 15206

AGENDA

- 10:30** **Call to Order**
- 10:35** **Approval of December 9, 2013 Minutes**
- 10:40** **Membership**
- 10:45 - 12:30** **Net Income Analysis**
- 12:30 - 1:15** **Lunch**

The time remaining will be used to conclude the review of the net income analysis and discuss upcoming GF-6 and PC-11 matrices.

3:30 Adjournment



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<http://astmtmc.cmu.edu>




Inaugural Executive Committee Meeting

March 18, 2014


TMC Fiscal Performance

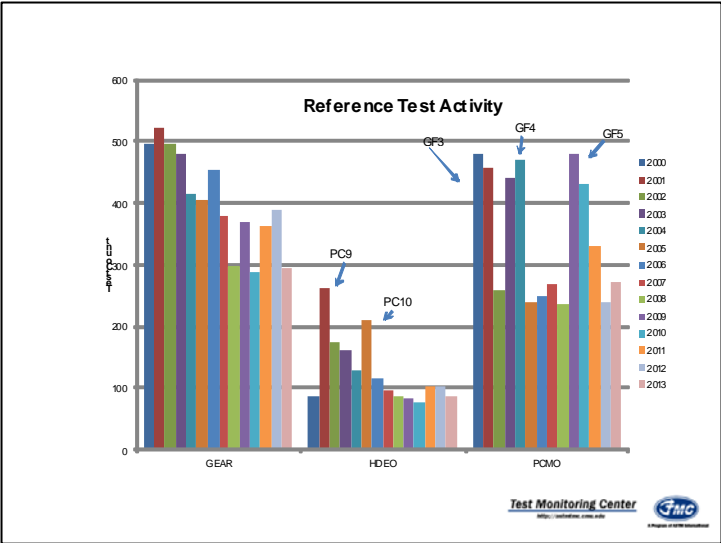
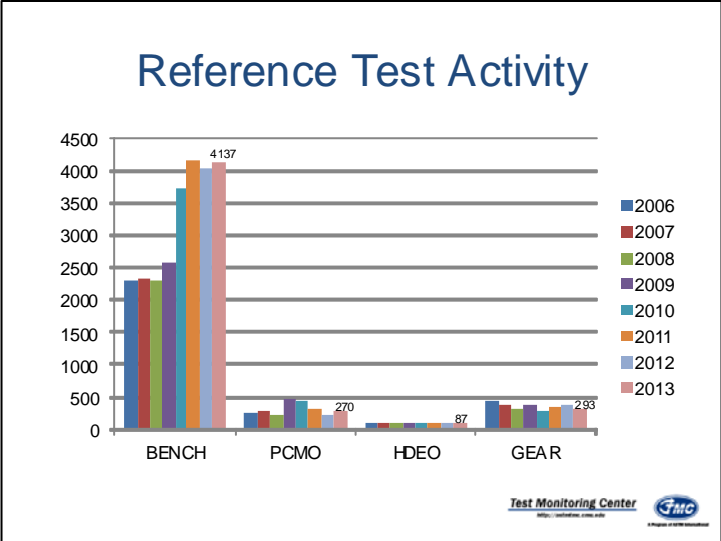
- Fiscal Year 2005 \$125,648
- Fiscal Year 2006 \$124,141
- Fiscal Year 2007 \$177,815
- Fiscal Year 2008 \$ 70,864
- Fiscal Year 2009 \$469,773
- Fiscal Year 2010 \$415,224
- Fiscal Year 2011 \$483,558
- Fiscal Year 2012 \$144,627
- Fiscal Year 2013 \$ 71,312



Year End 2013 Net Income

	Light-Duty	Heavy-Duty	Gear	Bench	Other
Revenue	600,140	451,936	376,649	531,425	1,182,465
Expenses	478,507	468,317	500,591	791,904	857,369
Net Income	121,632	(16,381)	(83,942)	(268,479)	325,096





ASTM TMC Fee History

- Crankcase Fee Increases

	Oil (\$/gallon)	Test Review (\$/test)	%?
1996	48	2050	-
1998	58	2460	20-21
2005	68	2900	17-18
2007	71	3000	3-4

ASTM TMC Fee History

- Bench Fee Increases

	Oil (\$/sample)	Test Review (\$/test)	%?
2005	22	470	-
2007	23	490	4.3%

- Gear Fee Increases

	Oil (\$/sample)	Test Review Billed Semiannually	%?
2005	68	326K	-
2007	71	340K	4.3%

3/20/2014

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Bench Fees

	Test	Description	Test Fee	Quantity	Sample Cost
Bench	D617	Volatility by GC	\$400 ¹	4 ml	\$23/sample
	D6470C	Volatility by GC – Quality Control	na	130 ml.	\$31/sample
	GI	Gelation Index	\$400 ¹	25 ml.	\$23/sample
	D680	Volatility by Nback	\$400 ¹	100 ml.	\$23/sample
	D682	High Temperature Foam	\$400 ¹	525 ml.	\$31/sample
	D674	Sulfated Ash	\$400 ¹	32 ml.	\$23/sample
	D674QC	Sulfated Ash – Quality Control	na	1 liter	\$40/sample
	ROBO	Bench Oxidation	\$400 ¹	300 ml	\$23/sample
	ROBO QC	Bench Oxidation – Quality Control	na	1 liter	\$40/sample
	TEOST	TEOST	\$400 ¹	130 ml.	\$23/sample
	MTEOS	MHT TEOST	\$400 ¹	17 ml.	\$23/sample
	E OEC	Automotive Elastomers	\$6100	750 ml.	\$31/sample
	LDEDEC	GF-5 Automotive Elastomers	\$6100	750 ml.	\$31/sample
	E OFT	Engine Oil Filterability	\$6100	250 ml.	\$23/sample

¹ Billed annually

² Determined based on available standards and billed semi-annually

³ Passing calibration tests only

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Shipping Costs

- The Five-Year View: Cost to Ship with UPS and FedEx has Risen Over 28 Percent**

- Historically, UPS and FedEx have raised their ground and air shipping rates year over year – and rates for 2014 will be no exception. Despite lower fuel costs and economic conditions that are slightly improving, both carriers have once again raised prices across the board.
- As in years past, the increases are remarkably similar with UPS and FedEx both announcing a 4.9% price increase for ground shipments. For air shipments, UPS announced a 4.9% increase while FedEx's rates will rise by 3.9%. Yet, unlike previous years, the carriers have not offset these increases with reductions in fuel costs.
- These rate hikes may seem modest, especially when compared to last year's announcement (5.9% to 6.5%). **But, the reality is shippers are paying 28% to 32% more for shipping than they did just five years ago.**

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Shipping Rates

FedEx 2013 Rates

Ground Percentage Increase								
Zones	2	3	4	5	6	7	8	Average Increase
1 lb	6.4%	6.9%	7.9%	7.9%	7.9%	7.8%	7.8%	7.5%
2 lb	8.7%	8.8%	8.8%	8.9%	8.5%	7.7%	8.0%	8.5%
3 lb	8.8%	8.9%	8.9%	8.9%	8.7%	8.2%	7.9%	8.6%
4 lb	8.7%	8.5%	8.9%	8.9%	8.9%	8.3%	8.2%	8.6%
5 lb	8.5%	8.3%	8.6%	8.9%	8.6%	8.2%	8.2%	8.5%
10 lb	7.7%	7.7%	8.1%	8.1%	8.7%	7.1%	6.9%	7.8%
25 lb	6.7%	6.1%	5.8%	5.9%	5.8%	6.4%	5.9%	6.1%
50 lb	4.5%	4.5%	5.7%	5.7%	6.4%	6.0%	5.3%	5.4%
75 lb	3.0%	1.5%	5.2%	5.6%	5.2%	5.4%	5.2%	4.4%
100 lb	3.1%	3.0%	4.0%	2.9%	4.0%	4.0%	5.2%	3.7%
150 lb	3.1%	3.0%	4.0%	2.0%	4.0%	4.0%	5.2%	3.6%

Image courtesy of LIM Freight Auditing & Consulting - www.myLIM.com



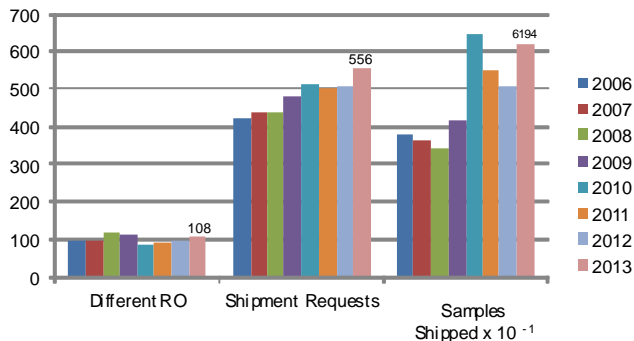
Shipping Container Cost

	Container Costs (\$)	% Increase
2011	25,000	
2013	37,780	51%

- Cost of steel and increased shipping volume



Reference Oil Shipment Overview



Bench Income Proposal

	2013	Proposed Increase [*]	Additional Revenue
Oil Sales	118,200	30%	35,460
Test Fee	384,244	10%	38,400
Total	502,444		73,860

Sample Costs		Fees	
Current ¹	Proposed	Current ¹	Proposed
\$23	\$30	\$490 ²	\$540 ³
\$31	\$40	\$6100 ⁴	\$6700 ⁴
\$40	\$50		

^{*} Next 2-years
¹ Price Set in 2007
² Only Passing Tests
³ Reported Operationally Valid
⁴ Billed Annually by Test Type

