

cc DAK
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Baltimore

TO: John Zuilhof

FROM: T. G. Grumbles

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Interoffice
Communication

SUBJ: BALTIMORE BENZENE LOGISTICS

VISTA

As I understand, the proposal being considered would involve doubling the number of truck shipments from Delaware City to Baltimore. This option raises several questions involving increased risk of transportation incidents and personnel exposure that should be considered as factors in the decision regarding acceptability of this option. In summary, based on what is known now, the logistics proposed are acceptable from an employee exposure standpoint. The increased truck shipments do present an increased risk, although unquantified, to Vista due to the FOB terms and increased potential for transportation incident. These issues are discussed below and summarized in the attached table.

The FOB terms of the arrangement being proposed will cause Vista to own the benzene from Delaware City and the number of shipments under Vista's control will approximately double. This increase in risk must be viewed in terms of the potential for a transportation incident and the potential impact of an incident vs. the current barge shipments. A formal risk assessment would involve compiling data on the route or routes of travel, the population and traffic densities on the routes, current incident rates for similar shipments, and time of travel. Vista does not have the in-house resources to do such a study. However, similar studies can be done by consultants for rail routings for several thousand dollars, and I would assume the same can be done for highway routings. Intuitively the risk seems greater and short of a formal study alternative routes should be reviewed with the factors above considered. The presumed fact that the benzene will be carried by Vista personnel and equipment gives us the maximum control possible over the highway safety of the shipments.

The potential benzene exposure to Vista transport drivers would increase as a result of the increase in unloading operations. The plant unloading system can be operated in a manner that results in little or no measurable exposure to Vista drivers. This is based on past exposure monitoring and recent observations of the unloading by plant management. The plant is currently gathering more exposure data. Assuming there is no Vista involvement in the loading operation in Delaware City the new logistics appear acceptable from an exposure standpoint.

From a safety standpoint a significant positive aspect of the proposed logistics would be the decrease in average inventory of benzene at the plant site. This is consistent with the chemical

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BALTIMORE BENZENE LOGISTICS

PRO

- Less inventory in tank: consistent w/reduction of toxic/hazardous chemical strategy.
- Loading rack system can be used to unload benzene with little or no measurable exposure
- Traffic congestion is not as serious a concern now as before.
- Truck delivery by Vista personnel and equipment has an increased measure of control over the barge (common carrier) arrangement.

CON

- Title to benzene is ours at Delaware City thus increasing liability due to ownership.
- More potential for transportation incident due to increased loads.
- Possible insurance implications - potential increase in premiums if reviewed.

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