



CHEMICAL MANUFACTURERS ASSOCIATION

November 26, 1990

TO RESPONSIBLE CARE COORDINATORS

Subject: Responsible Care Distribution Code of Management Practices

Dear Responsible Care Coordinator:

I am pleased to report that during their recent meeting in New York, the CMA Board approved the Responsible Care Distribution Code of Management Practices. CMA will officially send the Code to the membership in mid-January, 1991, requesting members to provide their Self-Evaluation reports by mid-May, 1991.

Meanwhile, to give you a "heads up" early start to prepare for implementation, a copy of the approved Distribution Code is enclosed for your information. During the development process, you received a number of code drafts. Therefore, to avoid any confusion or misunderstanding, you should immediately discard any previously received drafts that you may have and replace them with the enclosed final version.

The code implementation schedule has been purposefully delayed to allow more time for development of the implementation aids and to allow for the conduct of Implementation Workshops in December, January and March. An additional workshop brochure is enclosed for your convenience.

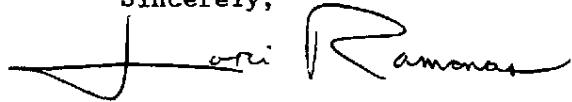
Please note that you will have an additional month to complete the Self-Evaluation form for the Distribution Code than you had for previous codes. While the other codes clearly called for evaluation based on facilities, members may choose other means for assessing performance for parts of the Distribution Code.

Finally, you may also notice that on page 2, item 2.1, a slight editorial change has been made in the wording for clarification. This change does not alter the meaning or intent of element 2.1 of the code in any way.

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If you have any questions about the Distribution Code, please contact Mike Heimowitz, Manager, CMA's Distribution Division, at 202/887-1360.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Ramonas". The signature is fluid and cursive, with a large, stylized "R" for the last name.

Lori M. Ramonas, Ph.D.
Director
Responsible Care

Enclosures

cc: Distribution Contacts
Distribution Code Drafting Group
M. Heimowitz

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DISTRIBUTION CODE OF MANAGEMENT PRACTICES

PURPOSE AND SCOPE

The purpose of the Distribution Code of Management Practices is to reduce the risk of harm posed by the distribution of chemicals to the general public; to carrier, distributor, contractor and chemical industry employees; and to the environment. Adherence to the code will lead to continually safer chemical distribution and help member companies to:

- o evaluate the risks associated with chemical distribution and methods to reduce those risks;
- o meet or exceed all regulations and industry standards governing chemical distribution;
- o provide emergency advice and/or assistance to people on the scene in the event of a chemical distribution emergency;
- o develop new technologies and methods to improve chemical distribution safety.

The code will also promote improvements in:

- o employee preparedness and awareness in preventing distribution emergencies;
- o the safety performance of carriers and other providers of distribution services;
- o the public's preparedness in responding to chemical distribution emergencies;
- o the public's understanding of, and confidence in, industry efforts to improve chemical distribution safety.

The Distribution Code of Management Practices applies to all modes of transportation (highway, rail, marine, air and pipeline) and to the shipment of all chemicals, including chemical waste. The code also applies to distribution activities (storage, handling, transfer and repackaging) while chemicals are in transit between member companies and their suppliers and customers. The implementation of a number of practices of the code will vary according to the characteristics of the chemical being distributed, the mode of transportation and the type of distribution activity involved.

RELATIONSHIP TO RESPONSIBLE CARE GUIDING PRINCIPLES

This code helps achieve several Responsible Care Guiding Principles:

- o to recognize and respond to community concerns about chemicals and our operations;

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- o to make health, safety and environmental considerations a priority in our planning for all existing and new products and processes;
- o to counsel customers on the safe use, transportation, and disposal of chemicals;
- o to operate our plants and facilities in a manner that protects the environment and the health and safety of our employees and the public;
- o to participate with government and others in creating responsible laws, regulations and standards to safeguard the community, workplace and environment; and
- o to promote the principles and practices of Responsible Care by sharing experiences and offering assistance to others who produce, handle, use, transport or dispose of chemicals.

MANAGEMENT PRACTICES

Each member company shall have an ongoing chemical distribution safety program that includes senior management commitment through policy, communications and resources to improvements in chemical distribution safety. The program should include the following elements:

1. Risk Management

- 1.1 Regular evaluations of chemical distribution risks which consider the hazards of the material, the likelihood of accidents/incidents and the potential for human and environmental exposure from release of the material over the route of transport.
- 1.2 Implementation of chemical distribution risk reduction measures that are appropriate to the risk level.
- 1.3 Internal reporting and investigation of chemical distribution accidents/incidents, and implementation of preventive measures.

2. Compliance Review and Training

- 2.1 A process for monitoring changes and interpreting interpretations of new and existing* regulations and industry standards for their applicability to the company's chemical distribution activities, and for implementing those regulations and standards.

*Editorial clarification subject to CMA Board approval January 15, 1990

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- 2.2 Training for all affected company employees in the proper implementation of applicable regulations and company requirements.
- 2.3 A program for providing guidance and information to carriers, distributors and contractors who perform distribution activities for the company on the company's training and compliance requirements for the activities.
- 2.4 Regular reviews of company employee, carrier, distributor and contractor compliance with applicable regulations and company requirements.
- 3. Carrier Safety
 - 3.1 A process for qualifying carriers of all modes and types (common, contract, private and customer controlled) that transport chemicals to and from company facilities that emphasizes carrier safety fitness and regulatory compliance, and includes regular reviews of their performance and compliance.
 - 3.2 Feedback to carriers on their safety performance and suggestions for improvement.
- 4. Handling and Storage
 - 4.1 Documented procedures for the selection and use of containers that are appropriate for the chemical being shipped, in compliance with testing and certification requirements, and free of leaks and visible defects.
 - 4.2 Documented procedures for loading chemicals at company facilities that will reduce emissions to the environment, protect personnel and provide securement of the lading during transit.
 - 4.3 Documented procedures for unloading chemicals at the company's facilities that will reduce emissions to the environment, protect personnel, and provide for safe unloading into proper storage facilities.
 - 4.4 Defined criteria for the cleaning and return of tank cars, tank trucks, marine vessels, and returnable/refillable bulk and semi-bulk containers, and for the proper disposal of cleaning residues.
 - 4.5 A program for providing guidance and information to customers, distributors, and other receivers on proper procedures for unloading and storing the company's chemicals.

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- 4.6 A process for selecting distributors and other facilities that store or handle the company's chemicals in transit that emphasizes safety fitness and regulatory compliance and includes regular reviews of their performance and compliance.
 - 4.7 Feedback to distributors and operators of other facilities that store or handle chemicals in transit on their safety performance and suggestions for improvement.
5. Emergency Preparedness
- 5.1 A process for responding to chemical distribution accident/incidents involving the company's chemicals.
 - 5.2 Documented procedures for making information about the company's chemicals in distribution available to response agencies.
 - 5.3 A program for making facilities and/or training materials available to emergency response agencies.
 - 5.4 Dialogue with state and local emergency planning organizations on the distribution and hazards of the company's chemicals to improve community preparedness to respond to chemical distribution emergencies.
 - 5.5 Dialogue with the public on their concerns about chemical distribution safety, actions taken by the industry and the company to improve the safety of chemical distribution, and the effectiveness of emergency preparedness and emergency response assistance.

Member Self Evaluation

Member companies shall report annually the stage of implementation of each management practice in this code to an agent designated by the Chemical Manufacturers Association.

Relationship to Other Codes of Management Practice

This Code complements, and should be implemented in conjunction with, current and future Codes of Management Practices.

**Member Self-Evaluation
Distribution Code of Management Practices**

1. Under the Responsible Care initiative, each member company must submit a Self-Evaluation Form annually to CMA or its designated representative. The annual self-reporting has three purposes:
 - o to establish an industry baseline from which to demonstrate continual progress in implementation of the Code.
 - o to assist individual member companies in establishing a baseline from which to set priorities for future development; and
 - o to assist the industry (CMA) in designing programs to assist the member companies in achieving the goals of the Responsible Care initiative.
2. The Distribution Code is unique in the sense that it deals with both products and facilities, but more importantly it deals with a broad range of third party providers of services and many external organizations and communities. This is considerably different than the CAER, WARR and Process Safety Codes, which deal primarily with fixed facilities and, as a result, have a more common base for self-evaluation. In contrast, different self-evaluation bases for each element of the Distribution Code will likely be more helpful and appropriate.
3. Self-evaluations for the Distribution Code should be expressed as percentages since the different bases for Code elements may not always be countable units. Therefore, the evaluation of each of the 21 separate elements of the Distribution Code of Management Practices should show what percentage of the company's distribution process is at each of the six implementation stages. For example, for a specific Code element, a company could report that 10% of their distribution process is at stage I, 50% at stage II, 30% at stage III, 10% at stage IV and 0% at stages V and VI. Judgment will be required on how to develop these percentages, both in terms of what base to use for the calculation, and how to reflect centralized and/or decentralized distribution activities. Most importantly, each company will need to establish a methodology that will remain constant over the years in order to measure annual progress. The suggestions under Item 4 below are meant to assist you in developing your self-evaluation methodology.
4. The following bases for evaluation can be applied to a number of specific code elements:
 - o Corporate programs, such as a corporate emergency response process, may be viewed as applying across the company for purposes of completing the Self-Evaluation Form. The percentage implementation would result from judgment of the

existence and implementation of that process, or progress upon your own implementation action plan.

- o Alternatively, decentralized programs, such as site or division specific emergency response processes, should be judged as separate processes. A large multi-division company may have multiple emergency response processes to consider in establishing a percentage of implementation.
 - o Risk management activities are often undertaken on a product specific basis. Each company deals with a very large number of products which are hazardous or non-hazardous, and must select a basis from which to evaluate and report future progress in implementing the Code. Judgment is required to make sure that a large number of non-hazardous products which the company produces or distributes do not distort the evaluation. They should also not decrease the validity of the base for future evaluations.
 - o Carrier safety reviews should be based on the number of carriers that fall under the code. Judgment must also be used where data is not readily available on all carriers. The time spent on determining this basis will provide good information for progressing toward full implementation.
 - o The number of third party providers of services to your company can serve as the basis for determining percentages of implementation in each stage.
 - o Customer related elements should be evaluated on the basis of the number of customers, the hazardous nature of the products, and/or by the company divisional or business unit programs.
 - o There are some elements, such as loading and unloading procedures, that are site specific and should be evaluated on that basis.
5. It is recognized that self-evaluation methodologies will vary from company to company. Because of this, flexibility has been built into the evaluation process. The basis for evaluating a company's distribution process should be established, documented and applied consistently for each annual self-evaluation exercise.
6. The six implementation stages are:
- Stage I - No action
 - Stage II - Evaluating company practices against Code practices
 - Stage III - Developing action plan to implement Code practice
 - Stage IV - Implementing action plan
 - Stage V - Code management practice in place
 - Stage VI - Implementation reviewed and reaffirmed this year

Risk Management Practices	I	II	III	IV	V	VI
1.1 Regular evaluations of chemical distribution risks which consider the hazards of the material, the likelihood of accidents/incidents and the potential for human and environmental exposure from release of the material over the route of transport.						
1.2 Implementation of chemical distribution risk reduction measures that are appropriate to the risk level.						
1.3 Internal reporting and investigation of chemical distribution accidents/incidents, and implementation of preventive measures.						
Compliance Review and Training						
2.1 A process for monitoring and interpreting new and modified regulations and industry standards for their applicability to the company's chemical distribution activities, and for implementing those regulations and standards.						
2.2 Training for all affected company employees in the proper implementation of applicable regulations and company requirements.						
2.3 A program for providing guidance and information to carriers, distributors and contractors who perform distribution activities for the company on the company's training and compliance requirements for the activities.						
2.4 Regular reviews of company employee, carrier, distributor and contractor compliance with applicable regulations and company requirements.						

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Carrier Safety**I****III****IV****V****VI**

3.1 A process for qualifying carriers of all modes and types (common, contract, private and customer controlled) that transport chemicals to and from company facilities that emphasizes carrier safety fitness and regulatory compliance, and includes regular reviews of their performance and compliance.

3.2 Feedback to carriers on their safety performance and suggestions for improvement.

Handling and Storage

4.1 Documented procedures for the selection and use of containers that are appropriate for the chemical being shipped, in compliance with testing and certification requirements, and free of leaks and visible defects.

4.2 Documented procedures for loading chemicals at company facilities that will reduce emissions to the environment, protect personnel and provide securement of the lading during transit.

4.3 Documented procedures for unloading chemicals at company facilities that will reduce emissions to the environment, protect personnel, and provide for safe unloading into proper storage facilities.

4.4 Defined criteria for the cleaning and return of tank cars, tank trucks, marine vessels, and returnable/refillable bulk and semi-bulk containers, and for the proper disposal of cleaning residues.

4.5 A program for providing guidance and information to customers, distributors, and other receivers on proper

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Handling and Storage**I****II****III****IV****V****VI**

procedures for unloading and storing the company's chemicals.

4.6 A process for selecting distributors and other facilities that store or handle the company's chemicals in transit that emphasizes safety fitness and regulatory compliance, and includes regular reviews of their performance and compliance.

4.7 Feedback to distributors and operators of other facilities that store or handle chemicals in transit on their safety performance and suggestions for improvement.

Emergency Preparedness

5.1 A process for responding to chemical distribution accidents/incidents involving the company's chemicals.

5.2 Documented procedures for making information about the company's chemicals in distribution available to response agencies.

5.3 A program for making facilities and/or training materials available to emergency response agencies.

5.4 Dialogue with state and local emergency planning organizations on the distribution and hazards of the company's chemicals to improve community preparedness to respond to chemical distribution emergencies.

5.5 Dialogue with the public on their concerns about chemical distribution safety, actions taken by the industry and the company to improve the safety of chemical distribution, and the effectiveness of emergency preparedness and emergency response assistance.

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