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Bcc:
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Subject: BHRC Funding Questions Document

To Communications Committee Members:

Attached is the Funding Questions document that has been prepared by APCO for review and comment. Please forward your response to my attention by October 25, 2002. Thanks.

- Matt

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Attachments:

Revised SHS Funding Questions 2.doc

Shanghai Health Study
Background Information

Q: Who are the funders?

A: Current funders (as of Oct. 2002):

- BP
- Conoco-Phillips
- ChevronTexaco
- ExxonMobil
- Shell Chemical

The American Petroleum Institute is the project administrator.

Q: How were the funders selected?

A: A consortium of petroleum and chemical companies are sponsoring the SHS as part of their ongoing individual product stewardship and corporate responsibility programs. Others with a similar interest in the health effects of benzene are welcome to join the consortium.

Q: How much will the SHS cost?

A: \$22.8 million program total for all costs including:

- operations for five years estimated to identify case studies;
- data collection, training and analysis;
- study revisions recommended by the scientific and ethics panels;
- patient privacy protections;
- constructing a state-of-the-art laboratory at Fudan University in China; and
- laboratory operations for research and clinical tests.
 - The on-site lab provides cutting edge technologies and diagnostic capabilities without necessitating shipping human tissue samples to the U.S. for testing.

Q: How much of the study is currently funded?

A: \$16.5 million. This sum is sufficient to launch but not complete the study.

Q: Are funding shares equal? If not, how they are allocated?

A: Funding shares are determined by size and sector. The existing formula for assigning one to three shares is:

- Refiners: 1 – 3 shares based on U.S. capacity
- Chemical companies: 2 shares
- Other companies/ organizations: 1 share

One share currently equals \$1.5 million.

Q: Apart from financial commitments, if our organization were to join, what are the membership requirements?

A: Current members can serve on three separate committees – communications, oversight or technical. The oversight committee makes budgeting, resource and other major decisions; the technical committee follows progress of the research; and the communications committee helps with external communications about the project.

Q: Would it be possible to join the SHS as a partial member? If so, how would that be decided?

A: The Oversight Committee would need to consider that request. If you have a serious interest in the project, please let me know the membership basis you'd like considered and I'll bring it to the Committee.

Q: Why are petroleum and petrochemical companies the only funders?

A: The petrochemical industry has long taken a lead role in researching benzene health effects. However, since many other industries also work with benzene, outreach for additional funders is ongoing.

Q: Wouldn't the American Petroleum Institute and their European counterpart (CONCAWE) be a logical source for additional funds?

A: All of the current funders are API and CONCAWE members. For a variety of reasons, member companies often fund and manage major research initiatives in a separate resource consortium rather than

through the association. However, the sponsors do think the project should be of interest to other companies, industries and sectors and would like to see funding diversified.

Q: Were other funders solicited?

A: Yes and active outreach continues.

Q: If they said no, why should I be interested?

A: Each company has to set its own priorities and interests. And I can't address the decisions other companies have made. Obviously, since my company is funding the project (*ALT for API staff: since I'm closely involved with..*) we think it is important for understanding the health effects of benzene, which is an important part of our product stewardship responsibilities.

Q: If two-thirds of the project is already funded, why aren't the original project supporters supplying the remaining funds?

A: We believe this project is of general interest to all companies who produce or handle benzene. We'd like to see them directly involved.

Q: What is the benefit to me to join the study at this point? Won't the study be conducted anyway?

A: Study sponsorship allows you the opportunity to engage in constructive dialogue on these issues with the people actively searching for worker safety solutions. It will help ensure your company has a solid understanding of the project, beyond the summaries presented in the anticipated peer-reviewed publication of the study results. And it will clearly demonstrate to your employees, customers and shareholders that you agree you have a responsibility to actively study and understand your products.

Q: Your company was involved in designing the project; at this point my company wouldn't have input to the research. So why should we join now?

A: First, the research was designed by Drs. Richard Irons and Otto Wong. Sponsoring companies established an Ethics Review Board and a Scientific Review Panel, both of which had extensive input to the project. These bodies endorsed the study design. While the initial sponsors had a lot to do with that process, they did not control the study design. As a result, we think we will make a sound contribution to the science of benzene health effects.

[As appropriate, repeat reasons for joining.]

It is possible that the technical infrastructure established for this study may lend itself to other, related research. The researchers and the sponsoring companies are willing to consider such additional work, as long as the protocols for the ongoing studies are not impacted.

Q: Is there a role for non-government and/ or government organizations in the SHS?

A: We would welcome the opportunity to brief others on the project and to keep in touch with them on future progress.