

Update on the Benzene Health Effects Consortium Shanghai Health Study

March, 2002

The protocols for the Shanghai Health Study are currently undergoing approval by the appropriate Institutional Review Boards in the US and China. Simultaneously, laboratory capital equipment is being procured and installed in Shanghai. These efforts are currently within budget. However due to cash flow problems the date on which the laboratory is expected to be ready for evaluating cases may be pushed back from May until the 4th Quarter due to a delay in initiation of training laboratory technicians.

Alterations to the protocols have been proposed to the SRP and accepted. The draft final protocols were reviewed by the Scientific Review Panel (SRP) in September. Their review resulted in significant expansion of the exposure assessment portion of the case control study and some changes and additions to the two portions of the study overseen by the University of Colorado researcher, Dr. Irons.. These alterations have added costs to the study and will be discussed at the end of this report.

The Communication Committee (CC) has selected a public affairs firm to assist in preparing materials about the project, managing out reach efforts, and responding to any public interest that may arise during the course of the project. Costs for this activity were incorporated in the original budget. A general communications plan has been approved by the Oversight Committee; a similar plan for activities in China is being prepared. Included in these activities is an opening ceremony in Shanghai. Progress reports and expenses for the first 6 months of the project have been received from the two principal investigators. With the exception of training of laboratory personnel, activities are within expected goals and expenses for time and equipment are within budget. The Technical Committee (TC) is currently working with the investigators to develop a series of milestones for the project in order to judge research progress versus expenditures. The University of Colorado finance department and the TC have agreed upon the format for future accounting reports. The delay in training of lab staff is the result of a delay on the part of ExxonMobil in paying their initial invoice. The problem has been resolved and no delays in payment of current or future invoices are expected. However, the increased costs discussed further below are anticipated to present further cash flow challenges for the rest of the year. (This issue is being ameliorated by ExxonMobil's agreement to delay payment to it for its investigators costs.)

The Oversight Committee (OC) met again in January of this year. At that meeting the cost implications of the SRP review of the research protocols were reviewed and discussed. The protocol changes necessary to respond to the SRP recommendations are projected to add approximately \$2.2MM to the cost of the study. This plus other miscellaneous estimated costs bring the estimated total cost of the study to \$22.5MM from the earlier \$19.7MM. After considerable discussion the OC agreed that in order to maintain the original desire to maximize the scientific integrity of the studies agreed the SRP revisions were warranted and voted unanimously to accept them and the resultant costs.

Current funding of \$16.5MM is sufficient to carry the project until early 2004. To the extent that the current shortfall is not made up by additional members/funds we would have to redirect or scale back some aspects of the project. Obviously this is undesirable and the OC discussed additional avenues of funding to pursue. In 2002 we will be attempting to expand petroleum industry funding and identify participants beyond that sector by concentrating on Chemical companies and organizations that have a stake in benzene. Additional effort will be directed at Europe, Australia and parts of Asia for funding. Efforts to engage additional US petroleum industry support will continue.