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From: Cagen, Stuart Z SCC-CF-SS
</O=SHELL/OU=MSXSCC/CN=RECIPIENTS/CN=SC724012>
Cc:
Bcc:
Received Date: 2005-01-17 20:00:16 GMT
Subject: FW: BHRC - financial re-analysis information

Stuart Cagen

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-----Original Message-----

From: brian.e.doll@exxonmobil.com [mailto:brian.e.doll@exxonmobil.com]
Sent: Tuesday, November 02, 2004 9:53 AM
To: Lorraine Twerdok
Cc: Benzene OC listserve (E-mail); Howard Feldman; Brenda Hargett; Ed
Murphy; Harry Ng
Subject: Re: BHRC - financial re-analysis information

Lorraine,

Please send us the backup behind these numbers. There is not enough detail
here to understand what is being asked for and why.

Brian Doll

"Lorraine Twerdok"
<Twerdokl@api.org>
OC@listserve.api.org>
cc: "Howard Feldman" <Feldman@api.org>, "Ed Murphy"
<Murphy@api.org>, "Brenda
Hargett" <Hargettb@api.org>, "Harry Ng" <Ng@api.org>
11/01/04 05:00 PM Subject: BHRC - financial re-analysis information

To BHRC OC Members:

Please find attached a memo from Howard Feldman and the budget re-analysis
worksheets received from the SHS investigators. This information will be
discussed at the OC meeting this week.

SHELL-MCCLURG-064489

Regards,
Lorraine

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(See attached file: BHRC ltr 11-1-04.doc)(See attached file: UCHSC re-anal
10-04.xls)(See attached file: AHS re-anal 10-04.xls)

Attachments:

AHS re-anal 10-04.xls
BHRC ltr 11-1-04.doc
UCHSC re-anal 10-04.xls

November 1, 2004

To Benzene Health Research Consortium Oversight Committee Members:

Re: Shanghai Health Study Investigators' Budget Re-analysis

API, as administrator for Benzene Health Research Consortium, is forwarding revised expense projections from UCHSC and AHS as received from the investigators on 10/26/04. These projections are based on completion of the original study protocols as approved in 2001.

The revised UCHSC and AHS expense projections are attached to this communication. UCHSC has provided an excel workbook that (1) details increased UCHSC and subcontractor costs, (2) provides a financial report for UCHSC expenses through 9/30/04, and (3) provides 2007 data analysis cost projections. The AHS spreadsheet details additional AHS costs on one page. These are the first documentations we have received from the investigators of significant cost increases.

There is a significant difference between cost projections and the currently approved program budget as summarized below:

Grantee/Contractor	Approved Program Budget (11/11/03)	Incremental Expense Projections Above Approved Budget	Re-analysis full program costs
UCHSC	\$14,508,000	\$2,827,512	\$17,335,512
AHS	2,283,095	448,657	2,731,752
Totals	\$16,791,095	\$3,276,169	\$20,067,264

Justifications for the increased costs from UCHSC likely include:

1. Greater than anticipated diagnostic load on the Joint Clinical and Molecular Laboratory
2. Reduced exposure assessment field support from the Chinese Institute of Public Health Supervision and Centers for Disease Control
3. Addition of an analytical chemistry laboratory for exposure assessment analysis (equipment, reagents, personnel)
4. Increased hourly rates for EMBSI subcontracting
5. Increased 2007 costs for data analysis ??

Justifications for the increased costs from AHS include:

1. Increased project supervision and QA/QC in Shanghai
2. Increased 2007 costs for data analysis ??

API is requesting immediate guidance from the Oversight Committee to reconcile the difference between sponsor-committed funds and investigator cost projections. The contractors have been notified that API is not committed to any increase from the original program budget. This issue is on the agenda for the upcoming November 3 & 4 Oversight Committee meeting in Houston. We look forward to your guidance at that time.

Please do not hesitate to contact Lorraine Twerdok (202-682-8244; twerdokl@api.org) of my staff or me if you need additional information.

Sincerely,

Howard J. Feldman

Enclosures (2)