

**Conference Call Summary
Benzene Health Research Consortium
June 27, 2001**

Participants:

Don Burnett	BP p.l.c.
Chris Roythorne	BP p.l.c.
Patrick Beatty	Chevron
Myron Harrison	ExxonMobil Corporation
Carol Fairbrother	ExxonMobil Corporation
Craig Parker	Marathon Ashland Petroleum
Stuart Cagen	Shell Chemical
Patsy Clegg	Shell Chemical
Bill Frick	API
Paula Podhasky	API
John Wagner	API
George Woodall	API

Update on Company Positions

- Chevron – committed to 2 shares, possibly up to \$3M. Commitment letter needed.
- Shell – committed to a maximum contribution of \$3M (2 shares) as stated in their letter. They also have the stipulation for broad support (14 shares or more total for the project).
- ExxonMobil – downstream commitment for \$5M, but is contingent on approval of executives on the chemical side of the organization (key person is returning from Malaysia today. Hope to have commitment by Friday. Commitment letter needed.
- BP – have not gotten final confirmation, but confidence in full commitment. Main concern is with which business unit is going to carry the funding. Commitment letter needed.
- Marathon Ashland Petroleum – MAP holds to the position that much of the funding (one-half) for this project should come from the broader API membership, and the remainder picked up by the core group of companies and any other sources of funding.
- Conoco – (from their letter) 1 share, wants a total of 14 shares
- Citgo – (from communications with Chevron) would be in for 2 shares if they commit, which is a very strong possibility but not likely before the July 1st deadline.
- Phillips – (from communications with Chevron) is now re-opening a possible commitment, also not likely by July 1.
- Valero – contacts and discussions with Chevron look promising for a later commitment.
- API – pressures on the dues budget make it unlikely that API will be able to fund any portion of the project in the immediate future. This issue may be revisited in future years, however.

Path Forward

- The five core companies (Chevron, Shell, Conoco, BP and ExxonMobil) agree to underwrite the project, then aggressively pursue other potential funding sources for additional support.
 - Need a commitment letter from all five before API can sign a letter of commitment to the University of Colorado.
 - There is optimism that the remainder of the support will come in short order if the core makes this commitment.
 - Both Shell and ExxonMobil stated that it is a non-starter if any one of the core companies backs out.
- The foundations to the project (which cannot be scaled back) include the laboratory setup in China and the full case control study. Other portions of the study may be scaled back at a later date, but only if absolutely necessary.
- Commitment to the University of Colorado and the Chinese researchers will likely be in the form of a letter from API and will include a kick-out clause in the unlikely event that the process breaks down.
- Funding/Invoicing issues:
 - Approximately \$6M needed in first 12 months; this includes costs to equip the laboratory, administrative costs, training, extensive travel to and from China, and cannot readily be scaled back.
 - The suggestion was made to invoice for one-half of the first year commitment as soon as possible, expected by the end of July. This process would start as soon as letters of commitment were received from all the core companies.
 - A second set of invoices would be sent out later for the remainder of the first year commitment.
- External Peer Review - Jerry Rice of IARC has agreed to participate in the protocol reviews and is open to the idea of serving on the independent scientific review committee.

Action Items

1. George Woodall will provide rapid communication on the status of commitments as soon as they are known.
2. The Workgroup will have to determine the terms of membership as soon as possible after a "quorum" has been reached.
3. John Wagner will provide an updated revision of the draft consortium contract in the next day or so. This will be transmitted to the Workgroup through George Woodall and will include a copy to Citgo (Patrick to provide contact information).
4. All relevant prior documents (protocols, earlier external peer reviews, etc.) will be made available on the members-only web site.
5. API will formulate a document control system and report back to the group.
6. Member companies will need to identify representatives for the Executive Oversight Committee as soon as possible. A meeting to constitute the consortium will need to take place as early as convenient.
7. Member companies should begin to think of nominations for the independent review panels, and to serve on the ethics and technical oversight committees.
8. Bill Frick and George Woodall will draft a straw man letter of commitment.

DRAFT - June 28, 2001

Next Conference Call

Monday, July 2, 2001, 1:00 PM EDT

Call Title: Benzene Consortium

Moderator: George Woodall, API

Call-in Numbers: (800)282-2343 -or- (703)736-7274

Confirmation Number: 535 9636

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