

From: Lorraine Twerdok <Twerdokl@api.org>
Sent: Monday, February 10, 2003 10:06 PM (GMT)
To: Benzene consort comm (E-mail) <benzconsort-cc@api.org>; Benzene consort tech (E-mail) <benzconsort-tc@api.org>; Benzene OC listserve (E-mail) <BenzConsort-OC@api.org>
Subject: SHS - exec briefing & call sheets - latest draft
Attach: China Benzene Paper API Exec Comm 1-26-03 Draft.doc; Shanghai Fundraising Brief.ppt

TO BHRC:

Latest version of the API Exec. paper and the call sheet for your review for our 1 PM recruitment call on 2/13.

Dial in: 1-866-262-1780

Meeting #: *045613* (stars required)

These will also be posted to the website under SHS Update, along with information to join the call.

Talk to your Thursday,

Lorraine

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

From: Lorraine Twerdok

Sent: Monday, February 10, 2003 3:22 PM

To: Patrick Beatty (E-mail)

Cc: Mark Fitzsimmons (E-mail)

Subject: FW: SHS - exec briefing & call sheets - latest draft

Patrick -

Information in the ppt presentation is fine.

The API executive paper is a much more forceful document than it had been previously. I personally like it this way, but we definitely need input from the rest of the consortium, as well as Bill Frick. Also - I have added a point of clarification (highlighted in yellow), requested by Don, on the fact that we always had a shortfall of funds - Don felt the previous version looked like we let the PIs just up the price on us from an original estimate of \$16.5 million.

Are these ready to circulate for our call next week?

Lorraine

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

From: Beatty, Patrick (PatrickBeatty) [mailto:PatrickBeatty@ChevronTexaco.com]

Sent: Thursday, February 06, 2003 9:05 PM

To: Fitzsimmons, Mark; Lorraine Twerdok; lynn.b.russo@exxonmobil.com

Cc: Stuller, Jay (JayStuller)

Subject: FW: SHS - exec briefing & call sheets - latest draft

ALL,

Attached are two documents that Jay and I (mostly Jay) developed to be used by Dave O'Reilly for discussions with other company CEOs. The word document is also to be submitted to the API Exec. Com. I have reviewed them for accuracy. Mark, please review from the legal perspective. Lorraine and Lynn, If you have serious problems with wording let me know. If you have less serious concerns especially with the PPT document, I don't want to slow this down. Fine tuning on the word document is more valuable for the Word document that will eventually go to the Exec. Com. I really don't want these to have to wait for whole committees to weigh in on the wording.

Patrick

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

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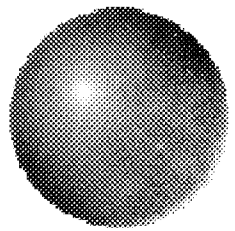
From: Stuller, Jay (JayStuller)
Sent: Tuesday, February 04, 2003 8:55 AM
To: Beatty, Patrick (PatrickBeatty)
Subject: SHS

<<China Benzene Paper API Exec Comm 1-26-03 Draft.doc>> <<Shanghai Fundraising Brief.ppt>>

Hi Patrick:

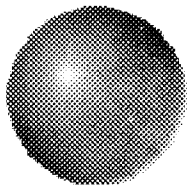
Thanks for the thoughts. I made a few more changes to the briefing paper, to deal with the fact that DJO might be calling someone who'd not really heard of the Consortium or what it's about. As for the background paper, why don't you remove the editing remarks permanently, and then send the package to the folks who need to see it.

Jay



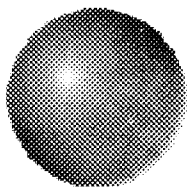
The Shanghai Health Study

Closing the Gap



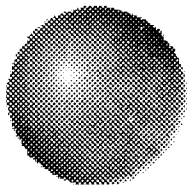
The Benzene Health Research Consortium

- Formed under auspices of API
- Primary sponsors of Shanghai Health Study
- Comprised of five companies: BP, Shell Chemical, ChevronTexaco, ExxonMobil and ConocoPhillips
- Consortium in need of wider sponsorship



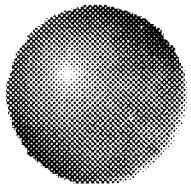
Benzene and Health

- Effects of low-level benzene exposure on health is not well understood
- Two recent studies suggest link between benzene and cancers not previously associated with the chemical
- Benzene an ongoing concern for science, health and regulatory communities
- Uncertainty drives current and future policies and regulations



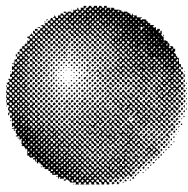
An Unprecedented Opportunity

- ❖ Strong collaboration between U. of Colorado, Fudan U., Chinese Hospitals, regulatory agencies
- ❖ Designed with international bio-ethics advisors and meets WHO ethics standards
- ❖ Exceptional health and benzene exposure records maintained by cooperating Shanghai authorities
- ❖ \$16.5 million of \$22.8 million required is already committed.



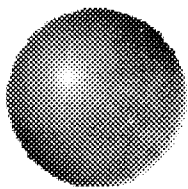
Additional Sponsors Needed

- However, the \$6.3 million gap jeopardizes the entire study
- Funds sufficient to launch but not complete the SHS
- We are seeking a one share/\$1.5million commitment over next 3 to 4 years
- Shares proportional to size of sponsor companies



Benefits of Consortium Membership

- Answer questions, provide updates
- Annual summaries
- Interactions with other sponsors, investigators and participants
- Opportunity to help SHS gain greater acceptance from health officials, regulators governments and NGO's



Conclusions

- ✦ Study will advance benzene science;
- ✦ Enhance Product Stewardship;
- ✦ Advance Corporate Social Responsibility;
- ✦ Add vital new data to accepted body of scientific research on benzene;
- ✦ Be used as reference by government, industry and regulatory decision-makers.

For Action

API Executive Committee

Issue: The Benzene Health Research Consortium is seeking guidance on options to address a shortfall in funding the industry-sponsored Shanghai Health Study (SHS). A five-year project designed to investigate the potential health effects of benzene, the study has secured \$16.5 million of the \$22.8 million required to carry it to fruition. Although preparations for the research have begun, this funding gap - - if not closed - - will either compromise the study or lead to its demise.

Background: Continued concern about the potential health effects of benzene is reflected by two recent studies that suggest a link between benzene exposure and certain cancers not previously associated with the chemical. The Consortium is thus sponsoring a five-year study in Shanghai, China, which could significantly decrease the uncertainty surrounding the issue. A joint investigation primarily managed by the University of Colorado and Fudan University, the SHS includes protocols developed with the assistance of Chinese, European and American bio-ethics specialists. It also has strong support and active participation from Chinese universities, hospitals and regulatory agencies.

The quality of Shanghai's occupational benzene exposure records offers an unprecedented opportunity - - and perhaps the last of its kind - - to study the relationship between benzene exposure and the risk of certain blood diseases. While providing the scientific, regulatory and business communities with new information on benzene, the SHS would also enable industry to enhance its product stewardship reputation.

Project Status: Three inter-related studies are proposed: (1) a Case-Control Epidemiology study; (2) a Disease Progression Study; and (3) a Molecular Epidemiology Study. The pre-initiation program is currently nearing completion and the principal investigators expect to begin accepting subjects and processing samples from study participants in March or April of 2003. Previous and current Shanghai workplace exposures are being evaluated, while the training of exposure assessment technicians and interviewers is underway. Legal and public affairs expertise has been retained to facilitate Consortium activities.

Funding Status: Current funding for the program is projected to run out during the first quarter of 2004. Five companies - - BP, ChevronTexaco, ConocoPhillips, ExxonMobil and Shell Chemical Company - - have contributed \$16.5 million. The initial cost estimate for the study was \$19.8 million, the study was initiated with a funding shortfall requiring recruitment of additional funding sponsors to fully fund the study. Based on the protocol enhancements recommended by independent scientific and ethics review panels, the Consortium approved a \$22.8 million program to complete the five-year study. In seeking additional participation, the Consortium has made general presentations to IPIECA, ACC, CONCAWE and NPRA, and held more focused discussions with Marathon Ashland, Dow Chemical Company, and Sunoco. Several others have been approached, including Citgo, Dupont, BASF, Lyondell-Equistar, TotalFinaElf, Statoil, AGIP-ENI, and Petronas. To date, none of these entities have agreed to contribute funds.

Implications of funding shortfall: The Consortium Technical Committee has studied the impacts of a funding shortfall and determined that at best, only one of the three studies could be completed with current funds. The reality however, is that an unclosed gap would result in loss of all Chinese collaboration, in which case none of the studies could be completed. Aside from lost opportunity, this situation could have public relations and legal ramifications.

Draft for March 18, 2003 Meeting

First revision 1/29/03

Second revision 2/7/03

For Action: The Executive Committee is requested to decide by [insert date] whether API will (1) provide direct funding for the study; (2) provide funds to allow the study to continue while recruitment efforts continue, anticipating to be repaid in full or in part by the Consortium; or (3) provide no additional funding for the study.