To: Lorraine Twerdok <Twerdokl@api.org>; lynn.b.russo@exxonmobil.com <lynn.b.russo@exxonmobil.com>; Beatty, Patrick (PatrickBeatty) <PatrickBeatty@chevrontexaco.com>
From: Clegg, Patsy M SCC-CHSE-PC </O=SHELL/OU=MSXSCC/CN=RECIPIENTS/CN=PH197432>
Cc: Benzene OC listserve (E-mail) <BenzConsort-OC@listserve.api.org>; Howard Feldman <Feldman@api.org>
Bcc:
Received Date: 2004-05-10 11:29:30 GMT
Subject: RE: APCO contract

Sorry folks, I have been in rural Mexico for the last week - definitely out of email range. My suggestion is that we tackle this question on our call this coming Friday.

Regards,
Patsy

Patsy Clegg
Product Steward
Shell Chemical LP
One Shell Plaza, 910 Louisiana, Houston, TX 77002-4916

Tel: +1 713 241 2521 Fax: 3325
Email: patsy.clegg@shell.com
Internet: http://www.shell.com/chemicals

-----Original Message-----
From: Lorraine Twerdok [mailto:Twerdokl@api.org]
Sent: Monday, May 03, 2004 5:06 PM
To: lynn.b.russo@exxonmobil.com; Beatty, Patrick (PatrickBeatty)
Cc: Benzene OC listserve (E-mail); Howard Feldman
Subject: RE: APCO contract

Lynn -
Yes, Patrick is correct in that once funds have been committed to a contract, the funds cannot be used on anything else until the contract is terminated or amended. In the case of subscription research, the funds return to our own budget, and can be reallocated to another aspect of the program, if necessary. In the case of dues-based funding (i.e. the Benzene TF) funds go back into the API general fund.

And yes, Patrick is also right in that API contracting policies require a defined scope of work, milestones, deliverables, and detailed cost estimates. This was also brought up by the Oversight Committee during the October 2003 contract review as general good contracting policy.

Trust this helps,
Lorraine
-----Original Message-----
From: lynn.b.russo@exxonmobil.com [mailto:lynn.b.russo@exxonmobil.com]
Sent: Monday, May 03, 2004 5:24 PM
To: Beatty, Patrick (PatrickBeatty)
Cc: Benzene OC listserve (E-mail); Howard Feldman
Subject: RE: APCO contract

Patrick: Sorry, but I was not aware of CT's objection to this approach.
It did not come up at the Oversight Committee meetings where we discussed

this. I was also not aware that this approach would affect budgeting decisions--API staff did not mention this during our discussions of the contract. That is a significant point that needs to be addressed.

Lorraine: Is Patrick's assumption on the budget commitment correct??

Lynn

Lynn B. Russo
ExxonMobil
Downstream Public Affairs
Phone: 703-846-2500
Fax: 703-846-4169
Email: lynn.b.russo@exxonmobil.com

"Beatty, Patrick (PatrickBeatty)" <PatrickBeatty@chevrontexaco.com>
To: lynn.b.russo@exxonmobil.com, "Howard Feldman" <Feldman@api.org>
cc: "Benzene OC listserve (E-mail)" <BenzConsort-OC@listserve.api.org>
Subject: RE: APCO contract

05/03/04 04:15 PM

Notwithstanding the explanation from Lynn, I (and ChevronTexaco) still have a problem with writing a contract for the rest of the project with no idea how much of it may be needed. While the funds may not be committed to specific expenditures, within the confines of API procedure, which the consortium has agreed to as part of its membership agreement, funds written into a contract are committed in the sense that they are not available for any other activity unless specifically released by cancellation or renegotiation of that contract. At least that is the way that the Benzene Task Force has had to conduct business for the last 12 years under the same rules. What I do not understand, and what has not yet been explained is why it is necessary to write the contract this way at this time. I have not seen an argument that the cost savings would justify this action versus the flexibility to react to a need to reallocate funding should the need arise (God forbid) due to some as yet unseen occurrence. To my knowledge, or at least my memory, no other aspect of this study has been treated in this manner.

Patrick

-----Original Message-----
From: lynn.b.russo@exxonmobil.com [mailto:lynn.b.russo@exxonmobil.com]
Sent: Monday, May 03, 2004 7:04 AM
To: howard.r.feldman@exxonmobil.com
Cc: brian.e.doll@exxonmobil.com; toddm@api.org; benzconsort-oc@listserve.api.org
Subject: Re: APCO contract

Howard: Brian asked that I comment for him in his absence.

ExxonMobil endorses this apporach to the APCO contract for two reasons:

- The contract covers all the remaining effort, not just the next year or two. And while the deliverables are not articulated in the contract, the process for defining deliverables is articulated. Under this contract, APCO does not have the approval to do work until or unless a work order has been issued. That work order would define the deliverables.

- The contract amount is "up to". It does not "commit" any funds until work is authorized.

Lynn

Lynn B. Russo
ExxonMobil
Downstream Public Affairs
Phone: 703-846-2500
Fax: 703-846-4169
Email: lynn.b.russo@exxonmobil.com

Brian E Doll

To: Lynn B Russo/Fairfax/ExxonMobil@xom
cc:

04/29/04 04:26 PM   Subject: APCO contract

Lynn,
Please respond on my behalf.
Regards,
Brian

----- Forwarded by Brian E Doll/Fairfax/Mobil-Notes on 04/29/04 04:28 PM -----

"Howard Feldman"

<Feldman@api.org>   To: "BHRC Oversight Committee (E-mail)" <benzconsort-oc@listserve.api.org>
cc:

Subject: APCO contract

04/29/04 11:45 AM

BHRC-OC:

I have received for my approval a $259.5K modification to the APCO contract without specific deliverables defined. This would commit the entire $550K communications budget for the program to APCO except for $25K. Given the low anticipated level of communications activity in the next year or two, I am exercising my financial stewardship responsibility and want to check with the Oversight Committee whether you approve of this commitment at this time.

Best regards,

Howard

Howard J. Feldman
Director, Regulatory Analysis and Scientific Affairs
American Petroleum Institute
202-682-8340 phone
202-682-8270 fax
feldman@api.org
Visit the New www.api.org

To: lynn.b.russo@exxonmobil.com <lynn.b.russo@exxonmobil.com>
From: Clegg, Patsy M SCC-CHSE-PC </O=SHELL/OU=MSXSCC/CN=RECIPIENTS/CN=PH197432>
Cc: Benzene OC listserve (E-mail) <BenzConsort-OC@listserve.api.org>; Howard Feldman <Feldman@api.org>; Beatty, Patrick (PatrickBeatty) <PatrickBeatty@chevrontexaco.com>; Lorraine Twerdok <Twerdokl@api.org>
Bcc:
Received Date: 2004-05-10 22:24:12 GMT
Subject: RE: APCO contract

Lynne,

Suggestion: Communications prepare a proposal to OC, i.e. contract with APCO to last until Jan 31, 2006 for $100,000 to cover annual meeting summary; position papers, recruitment materials, etc. with option to renew, amend.

Regards,
Patsy

Patsy Clegg
Product Steward
Shell Chemical LP
One Shell Plaza, 910 Louisiana, Houston, TX 77002-4916

Tel: +1 713 241 2521 Fax: 3325
Email: patsy.clegg@shell.com
Internet: http://www.shell.com/chemicals

-----Original Message-----
From: lynn.b.russo@exxonmobil.com [mailto:lynn.b.russo@exxonmobil.com]
Sent: Monday, May 10, 2004 3:28 PM
To: Clegg, Patsy M SCC-CHSE-PC
Cc: Benzene OC listserve (E-mail); Howard Feldman; Beatty, Patrick (PatrickBeatty); Lorraine Twerdok
Subject: RE: APCO contract

Patsy: I'm not able to participate in Friday's call and would prefer to be there for the discussion of the Apco contract.

In light of Patrick's explanation of how the budgeting/contracting process works and after discussing this with a few folks, it appears what makes sense is to write a contract with APCO for the next two years, which is a relatively "low spend" period. Then it would be up for discussion again as we neared the final stages of the study. At that point we should have a better idea of what the sponsors are preparing to do with communications pre-publication and of APCO's role in that.

Lynn

Lynn B. Russo
ExxonMobil
Downstream Public Affairs
Phone: 703-846-2500
Fax: 703-846-4169

Email: lynn.b.russo@exxonmobil.com

"Clegg, Patsy M
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"Beatty, Patrick

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Brian E Doll

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