



The European Chemical Transport Association

"Safety Improvement:



1. INTRODUCTION

The 3rd Annual General Meeting of the European Chemical Transport Association (ECTA) took place in the new German capital of Berlin on October 31, 2001. The meeting followed on directly from the 28th Logistics Meeting of the European Petrochemical Association and was attended by 32 delegates, most of whom were ECTA members and invited guests.



ECTA Chairman **Luc Haesaerts** of Haesaerts Intermodal introduced the theme of this year's Annual Meeting as "Safety Improvement: ECTA's Driving Force". He then welcomed **Jos Verlinden** of the European Chemical Industry Council (CEPIC), who is scheduled to take over responsibility for logistics activities at CEPIC after the imminent retirement of Philippe Deroisy. ECTA works closely with CEPIC on a number of initiatives aimed at promoting improved safety and efficiency in the movement of chemicals in Europe. Many of the logistics activities with which CEPIC is currently engaged were to be outlined in the several presentations and contributions made by Jos Verlinden during the day's proceedings.

The following paragraphs provide an overview of the industry issues discussed and decisions taken at the ECTA's 2001 Annual Meeting.

Report on 3rd Annual Meeting

ECTA's Driving Force"

Hotel Inter-Continental Berlin
31 October 2001

2. THE REVISION OF SQAS ROAD - CARRIER CONCERNS

Luc Haesaerts read out the ECTA position on the Safety and Quality Assessment System for road vehicle operators (SQAS Road) which is currently being revised. In fact, this is a joint statement as it has been developed by ECTA in collaboration with the International Road Transport Union (IRU), an international association representing road hauliers.

SQAS Road provides chemical shippers with a uniform system for assessing the quality, safety and environmental performance of road transport operators. Under the scheme qualified inspectors carry out assessments of individual hauliers every three years on behalf of the entire chemical industry. The scheme is being revamped to enhance its value as a risk management tool for chemical shippers. The revision entails the provision of a central management structure, formal assessor training, greater transparency and availability of report information and targeted promotion of the scheme. A switch from a paper-based to a paperless system for the handling of assessment reports is an integral part of the scheme's current enhancement.



In principle, ECTA and IRU fully support SQAS Road and the present revision work, but they have asked CEPIC to take into account several considerations during the revision process. **Jos Verlinden** of CEPIC responded to the primary concerns raised in the ECTA/IRU statement.

1. As regards the validity of the SQAS Road audit, CEPIC concurs with the ECTA/IRU stance. The revised SQAS will retain the three years' validity period in order to align with the timing for ISO 9002 quality assurance audits.

2. The ECTA/IRU request for the opportunity to carry out a partial reassessment of the audit within 12 months from the audit at the convenience of the audited logistics service provider (LSP) will not be considered by CEPIC. However, audited LSPs will be able to make comments and/or propose a concrete improvement plan with respect to those parts of the SQAS audit which achieved a less than satisfactory result.

3. To be valid, the audit report has to be entered in the SQAS Road Electronic Database. However, access to this database will only be granted to the chemical companies who will become members of the SQAS Service Group, which is to be established. LSPs will be informed about the composition of the Service Group, and will receive automatic confirmation of the identity of the chemical company accessing the database for information on their audits. Mr Hoffmann of BASF and Chairman of the SQAS Steering Group added that the SQAS Road database would permit chemical companies to access, without difficulty, all data concerning their LSPs and transfer it to their own database for contracting purposes. Mr Hoffmann added that his company will require from all its LSP's to have their SQAS assessment report on the SQAS Road Electronic Database.

Luc Haesaerts concluded this session by reiterating ECTA/IRU support for the revised SQAS Road scheme and suggested that CEFIC should consider ECTA and the chemical transporters as partners in a constructive dialogue on the outstanding issues.

3. EMERGENCY RESPONSE: A JOINT APPROACH FOR IMPROVING THE CEFIC ICE SCHEME

Paul Evertse of Exxon Mobil acted as moderator in the panel discussion on emergency response, the two principals being Jos Verlinden of CEFIC and Colin Humphrey of United Transport Tankcontainers (UTT) representing ECTA. The session focused on progress to date with the European ICE Emergency Response Scheme administered by CEFIC and possible ways of achieving a closer involvement of the transport companies in this scheme in order to realize further improvements thereof.

The ICE emergency response system was established to minimise the potential consequences of chemical distribution incidents by promoting adequate company response arrangements; cooperation between chemical industry and national authorities; mutual assistance within the chemical industry; and international cooperation across borders. Within the chemical producer and emergency response agency communities a good measure of success has been achieved, and the ICE network now covers 16 countries, including several countries of Central Europe. Yet, as Jos Verlinden explained, the transport industry has no direct involvement in ICE. However, distribution emergency response is considered more and more a joint responsibility of the chemical companies and the transport companies. Also, this omission is becoming more critical due to the current trend towards total outsourcing of the logistics function by the chemical producers. Technical transport expertise within the chemical companies is dwindling.

The two speakers identified the following specific problem areas with respect to the implementation of the present CEFIC ICE programme:

1. The ICE Scheme at present covers 16 countries in Europe, of which 4 in Eastern Europe. This favourably compares with only 6 countries covered in 1992. In view of the European Union enlargement, further work has to be done in order to extend the list of countries.

2. As response to accidents involving chemicals in transit is a joint responsibility involving both transporters and chemical producers, hauliers should be involved to a greater extent in the ICE scheme.

3. As time goes by, emergency response is becoming less, rather than more, homogenous. Emergency response is being outsourced to specialist firms more frequently, and the larger transport companies are developing their own response schemes. Colin Humphrey said that, with pressure growing on individual hauliers to develop in-house expertise to meet ICE level 3 emergency response requirements, it makes sense to establish a European network of transport companies with such a capability under the auspices of ECTA. Within the scope of such a mutual aid scheme the transport company members would be able to provide help in terms of equipment and manpower in case of an accident in their area. The proposal received unanimous support from the ECTA Annual Meeting delegates.



Colin Humphrey mentioned that a number of steps will have to be taken, as a minimum, to help ensure success for the scheme. A transport equipment inventory database will have to be set up to make sure adequate stockpiles are in place in strategic locations. Clear lines of liability covering third party involvement at the scene of an accident will have to be established and associated insurance issues resolved. Colin Humphrey also recommended that ECTA and CEFIC set up a joint task force to formalise this transport operator mutual aid scheme and that participants aim to have the elements of this scheme in place by the end of third quarter 2002.

Paul Evertse invited interested parties in the audience to contact either Jos Verlinden or Colin Humphrey for further information, including on possible involvement in drawing up and implementing the scheme.



4. PROGRESS REPORT FOR ECTA WORKING GROUP ON SAFETY

Following the discussion session on emergency response, the chairmen of the two most recently established ECTA working groups - those on safety in the supply chain and subcontracting - gave progress reports on the work of their respective groups. The two groups were established following an ECTA brainstorming session on road accidents in September 2000. The Safety in the Supply Chain Working Group was established to develop an action plan for improving chemical logistics safety by the end of 2001, while the Subcontractors Working Group is tasked with investigating the viability and structure of a control system which LSPs can use to gauge the competency of the subcontractors they take on.

Ad de Heer, Hoyer Group Quality Manager and Chairman of the Safety Working Group, said that his group had made good progress since its launch last November. At the outset four sub-groups were established to consider the following aspects:

- (a) safety awareness and behaviour best practices;
- (b) standard code of practice;
- (c) safety training; and
- (d) reporting systems and a central database.

As a result of the work of the first pair of sub-groups, two documents have been drafted, i.e. "Guidelines for Safety Awareness and Behaviour in the Supply Chain" and "Recommendations on Safety, Health and Environmental Management Practices for LSPs". They are ready to be submitted to the ECTA/CEFIC Steering Group for approval prior to publication.

A further way of improving safety being considered by the Group is the standardisation and enhancement of driver training. This is a major undertaking and Ad de Heer said that a new working group has been proposed for tackling the issue. This body will compile an inventory of training requirements and existing training courses with the aim of sharing common experiences and practices. It is recommended that, following completion of this training matrix, the new group develops basic "ECTA training programmes" and implements relevant training programmes.

The fourth sub-group was asked to look into the feasibility of a central database on transport accidents and incidents, in order that industry in general may benefit from the lessons provided by such mishaps. Although the sub-group has decided that it is too early to implement a Europe-wide central database, several useful steps can be taken. At one level the experiences gained through compliance with ECTA's Standardised Performance Measurement procedures should be disseminated and utilised. The Safety Working Group has also proposed an alternative, less-ambitious method of accident reporting. Chemical producers and hauliers should agree to share information and association members should report to ECTA, utilising a standard report form, with details of any accidents or incidents in which they were involved. Such input would be compiled into quarterly reports for circulation amongst ECTA members.

5. PROGRESS REPORT FOR ECTA WORKING GROUP ON SUBCONTRACTING

Leen de Rijke, Chairman of the Working Group on Subcontracting, reported that progress with this group to date has been slow due to the complexity and the sensitivity of the relationship between LSPs and the various types of subcontractor serving the market. Variance in the requirements of chemical shipper customers further complicates the issue. It has not yet been possible to either specify or agree on uniform requirements for subcontracting - the short-term objective of the Working Group. This lack of progress obviously compromises the ability to achieve the two long-term objectives, i.e.

- (a) to apply the SQAS regime to the subcontractors used by LSPs on a much wider scale; and
- (b) to utilise subcontractor experience under the SQAS scheme as a basis for continuing improvements.

Despite these obstacles, there is widespread recognition that the subcontracting issue is important and that achieving the above goals will bring important benefits to the industry, not least in terms of improved safety. Delegates to the ECTA Annual Meeting agreed that the Subcontracting Working Group should press on with its activities. Leen de Rijke reported that the revised SQAS Road scheme, which is due to be introduced from January 1, 2002, will focus more attention on the subcontracting function. During the course of 2002 the Subcontracting Working Group will agree on the optimum way forward and develop a set of "Subcontracting Guidelines" covering fixed, semi-fixed and spot types of contract. Such recommendations would ensure a reduction in risk and, for producers, provide a further step towards fulfilling obligations under the Responsible Care programme.



6. REINVIGORATING SQAS TANK CLEANING (DISCUSSION SESSION)

The final session of the ECTA's 2001 Annual Meeting was another discussion session - this time on the SQAS Tank Cleaning programme. The main panellists were Jos Verlinden of CEFIC, Hugo Kerkhofs, representing the European Federation of Tank Cleaning Associations (EFTCO), and Luc Haesaerts of ECTA.

SQAS Tank Cleaning was launched in 1998 and is managed by CEFIC. Jos Verlinden pointed out that although a number of stations support the scheme, overall it has enjoyed only limited success. Some 40 cleaning stations have passed the audit and are qualified as SQAS stations, i.e. about 10 per cent of the European cleaning depots serving the chemical haulage industry. There are still many illegal cleaning operations carried out - the figure could be as high as 30 per cent of all tank cleanings. Also, not all countries have national tank cleaning associations; Germany is notably lacking.

The representatives of CEFIC, ECTA and EFTCO agreed that there is a need for tank cleaning stations to formalise their commitment to SQAS. Furthermore, this goal can best be achieved by implementing the following measures:

- (a) EFTCO will develop a uniform cleaning certificate, which will be linked to SQAS Tank Cleaning;
- (b) national tank cleaning associations will be established in all countries;
- (c) only cleaning stations which are members of a national association will be able to issue EFTCO certificates;
- (d) SQAS Tank Cleaning accreditation will become a condition of membership of the national cleaning associations;
- (e) transport companies should only use cleaning stations which issue the EFTCO uniform cleaning certificate;
- (f) chemical companies should only accept road tankers and intermodal tanks in possession of a uniform cleaning certificate; and
- (g) this initiative should be fully supported by CEFIC, ECTA and EFTCO.

The representatives of the three organisations fully endorsed the proposed joint action, and agreed a target date of July 1, 2003 for full implementation of the measures. The Annual Meeting delegates voiced their strong approval of the decision. Accordingly, Luc Haesaerts suggested that a joint ECTA/EFTCO/CEFIC letter, explaining the agreed course of action, be sent to all relevant transport companies, chemical shippers and cleaning stations. Furthermore, a press release confirming the decision will be issued.

In view of the above action plan, Mr Hoffmann of BASF reported that all efforts in the months ahead should be directed at establishing a tank cleaning association in Germany.

7. VOTES OF THANKS

The ECTA Chairman closed the 2001 Annual Meeting by thanking the speakers, the moderators and the chairmen of the working groups for their time, input and cooperation. Their efforts, along with those of ECTA members participating in all the working groups, have ensured that not only has good progress been made on a number of fronts in the few years since the Association was established but also that the impetus is being maintained and that further advances can be expected in the years ahead. A continued improvement in safety practices is indeed ECTA's driving force. Luc Haesaerts also expressed his gratitude to the EPCA team for their assistance to his organisation, both during this meeting and throughout the year.

