

## EDITORIAL



**Frank Andreesen**

Dear readers,

This 5th edition of our Logistics Newsletter is providing you with a detailed overview of Cefic's most up-to-date action programme. Four new issue teams have been established, dealing with the most important topics which emerged from Cefic's strategy review conducted in 2011, the essence of which is captured in Cefic's Chemical Logistics Vision 2020, prepared in cooperation with Deloitte. The strategy review confirmed that globalization of the chemical industry has resulted in overall longer, more complex and unfortunately also more vulnerable chemical supply chains. While chemical logistics are traditionally heavily regulated, it is evident that for the years to come there will be even more emphasis on safety and security aspects, both from politicians and the general public alike. The threat of terrorism, political instability and war are all adding to supply chain complexity, requiring adoption of statutory and voluntary measures to maintain security of chemical supply chains. In addition the global climate change debate has added yet another layer of complexity to chemical supply chains, requiring chemical producers to include the CO<sub>2</sub> emission reduction targets in their logistics network optimization efforts. We hope that you will find this newsletter useful and that it will provide you with further guidance to deal with the many challenges currently on hand.

**Frank Andreesen,**  
Chairman Cefic SIG Logistics

## Chemical logistics moving forward

### Cefic Strategy Implementation Group (SIG) Logistics

After a term of 5 years as Chairman of the Cefic Strategy Implementation Group (SIG) Logistics, Jack Eggels (Shell) moved on to another position within Shell. Subsequently, Frank Andreesen (Bayer MaterialScience), former Vice Chairman of the SIG Logistics, was nominated as new Chairman in December 2011. In addition, there were also a number of other changes in the SIG membership structure and its current composition is shown in the table below:

SIG LOGISTICS MEMBERS LIST	
NAME	COMPANY
Frank Andreesen	Bayer MaterialScience
Alain Avau	Solvay
Stefan Bartens	BASF
Astrid Buijssen	Shell Chemicals Europe
Romuald de Haut de Sigy	Arkema France
Cathy Demeestere	EPCA
Ronald Giesbers	Dow Europe
Andrea Heid	VCI - Verband der Chemischen Industrie
Matthias Heil	Evonik Services
Jean-Christophe Hermand	Total Petrochemicals
Adam Leszczynski	PCCI (Polish Chamber of Chemical Industry)
Sergio Menegazzi	Lyondell Basell
Carlo Meregaglia	Mapei
Roger Murray	Huntsman Europe
Loraine Phillips	ExxonMobil Chemical Europe
Danny Van Gansen	Borealis Polymers
Jos Verlinden	Cefic
Wouter Vermijs	SABIC Europe
Mervyn Williams	Ineos

The logistics priority issues for the next 2 years were reviewed and resulted in the setting up of three new issue teams, as shown in the below overview of Cefic's current working structure:

#### Cefic Logistics Issue Teams and Services/Systems



### European Intermodal Transport Network Development

The recent EU Transport Whitepaper has set the target to shift 30% of road freight over 300 km to other transport modes (rail, barge, short sea shipping) by 2030. Chemical companies have to a large extent already captured current intermodal transport opportunities, finding it difficult to further increase modal shift without jeopardizing service level requirements.

The new issue team will assess the chemical industry's intermodal transport needs (now and in 2020) on key corridors and identify capacity bottlenecks, infrastructure investment needs and other obstacles. The issue team will be supported by SGKV (Studiengesellschaft für den kombinierten Verkehr). The resulting report will be used to support Cefic's advocacy actions towards the European institutions to highlight the need for intermodal infrastructure developments. The report is also intended to assist intermodal service providers in better understanding the needs of the chemical industry, while allowing chemical shippers to take the findings into account in their logistics strategies.

Contact: Jos Verlinden at [jve@cefic.be](mailto:jve@cefic.be)

### Safety Risk Assessment of Chemical Logistics Operations

One of the conclusions of the Logistics Vision 2020 Report was that safety risk management of logistics operations will remain a high priority for the chemical industry. Increasing urbanization and growing risk aversion of society will lead to even more focus on transport safety. The new issue team will review current risk assessment practices and develop Cefic guidance on a generic risk assessment approach for chemical logistics operations. The risk assessment model should assist chemical companies and Cefic in the identification of logistics activities with the highest potential risk, allowing to prioritize safety management initiatives and choose the safest route or mode of transport.

Contact: Jos Verlinden at [jve@cefic.be](mailto:jve@cefic.be)

### Transparency and Openness in Chemical Supply Chains

Following on from previous supply chain think tank initiatives, EPCA and Cefic have established a joint working group to improve data & information sharing and capture opportunities to improve supply chain collaboration. This working group will examine existing barriers to information sharing and collaboration, highlight best practice examples both in- and outside the chemical industry, and develop recommendations how companies should go about transferring the learning of these best practices examples into their own supply chain environment. The group will be supported by experts from AT Kearney and from the University of Amsterdam.

Contact: Jos Verlinden at [jve@cefic.be](mailto:jve@cefic.be)

## Chemical Logistics Vision 2020

The Chemical Logistics Vision 2020 Report, prepared by Cefic together with Deloitte, provides a review of the key trends likely to occur towards 2020 and their impact on chemical logistics. The report is based on input received from logistics directors of key chemical companies combined with sector experience from Deloitte. The full report can be obtained under [http://www.cefic.org/Industry-support/Transport--logistics/logistics\\_vision\\_2020](http://www.cefic.org/Industry-support/Transport--logistics/logistics_vision_2020) ).

### **Main findings of the strategic review**

- A production shift in the chemical industry will affect the complexity of supply chains. Consolidation of the European chemical industry will lead to a concentration of production facilities in big clusters and longer supply chains.
- Increasing congestion: Continued lack of investment in logistics infrastructure will lead to more congestion and reduced supply chain reliability. Increased competitive pressure for constrained logistics capacities, coupled with a broader geographic scope and increased need for risk management, will be leading to change.
- Continued focus on sustainability, safety and security: Measures to reduce transport carbon emissions are predicted to lead to more regulations and increased logistics costs and will drive the introduction of new supply chain models. Further urbanisation and increased societal risk aversion will lead to more safety and security restrictions.

### **Key recommendations contained in the report**

- Improve both horizontal and vertical integration along the supply chain to improve efficiency and productivity of asset deployment.
- Develop sustainable logistics strategies with a shift to alternative transport modes and increase vehicle utilisation levels and product swaps.
- Continuously improve logistics safety and security.
- More sophisticated supply chain organisation and logistics processes will require better training of supply chain staff.

These recommendations were reviewed by the Cefic SIG Logistics and resulted in the setting up of several new Issue Teams (see previous page).

Contact: Jos Verlinden at [jve@cefic.be](mailto:jve@cefic.be)

## SULID now available in four languages

In 2011 the new Site Unloading/Loading Information Document (SULID) was launched. The aim of SULID is to provide better information to transport companies and truck drivers about the technical and safety requirements at loading and unloading sites. SULID was developed by Cefic, in co-operation with ECTA, FECC and FETSA. It covers operational requirements of the loading/unloading point such as accessibility, connections, way of loading, pumping rate, training needed and PPE needed. The SULID document should be completed by the (un)loading site and made available to the carriers/drivers. It will support the exchange of information between (un)loading sites and carriers/drivers in a more systematic and uniform way.

SULID is now available in four languages (English, French, German and Spanish) and can be downloaded from the Cefic website: <http://www.cefic.org/Industry-support/Transport--logistics/SULID/>

Contact: Jos Verlinden at [jve@cefic.be](mailto:jve@cefic.be)

## Cefic Ship Vetting Guidelines

There is a continued need for chemical companies to have effective ship vetting systems in place in order to prevent the use of substandard ships. Cefic has issued guidance on good practices for ship vetting, explaining the principles for ship vetting as part of the risk assessment process.

See: <http://www.cefic.org/Industry-support/Transport--logistics/Best-Practice-Guidelines/General-Guidelines/>



At the end of 2011 Cefic organized a Workshop on ship vetting, at which existing industry ship inspection schemes (CDI, SIRE and EBIS) were presented and the practical aspects of how to analyse ship inspection reports were discussed.

The presentations made at this Workshop can be downloaded from the Cefic website: <http://www.cefic.org/Industry-support/Transport--logistics/Workshops/Good-Practices-for-Ship-Vetting-Workshop/>

Contact: Jos Verlinden at [jve@cefic.be](mailto:jve@cefic.be)

## Degassing of barges

The CDNI agreement has introduced a general prohibition of the release of liquid and solid waste in inland waterways. The agreement does however not yet cover the release into the atmosphere of gaseous residues (remaining in the tanks after unloading of the liquid product). The degassing of tank barges into the atmosphere is therefore still allowed. There is however political pressure on the parties of the CDNI agreement to extend CDNI to cover also gaseous emissions.

Therefore the Cefic Issue Team Degassing of Barges has been revitalized to contribute to the development of sustainable solutions within a realistic timeframe, which prevent or limit as much as possible gaseous emissions into the atmosphere. This will include the assessment of available options for degassing of tank barges and alternative operational processes that make the need for degassing redundant.

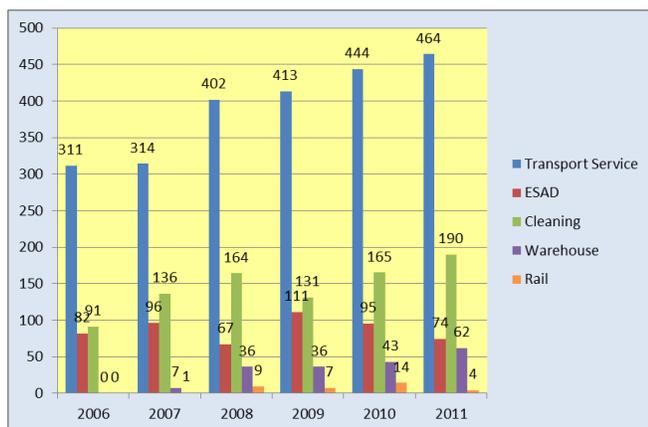
The issue team will closely co-operate with other involved stakeholders such as the barge industry, the oil industry and the storage terminals.

Contact: Jos Verlinden at [jve@cefic.be](mailto:jve@cefic.be)

## The number of SQAS assessments reached another record in 2011

Once again the number of SQAS (Safety and Quality Assessment System) assessments has increased in 2011. In total 794 logistics service providers (LSPs) were assessed under SQAS: 464 road transport companies, 190 cleaning stations, 62 warehouses, 74 chemical distributors and 4 rail carriers (see graph below). This brought the active number of reports on the SQAS Database at more than 2,100. 79% of the Transport Service companies and 91% of the Cleaning Stations companies assessed in 2008 were reassessed in 2011. These high re-assessment rates show the interest in maintaining the SQAS system by the Logistics companies.

The number of Chemical Companies (SQAS Service Group) who support the SQAS system increased to 47 members at the end of 2011.



Contact: Victor Trapani at [vtr@cefic.be](mailto:vtr@cefic.be)

## Successful Launch of SQAS 2011 Revision

In 2011 the most significant changes to SQAS since its creation 15 years ago were successfully carried out, whereby all SQAS modules were totally reviewed. Since July 2011 all assessments need to be carried out with these revised modules. They contain more focused questions.

A new Pre-Assessment Document (PAD) was introduced to be filled in by the assessed company before the assessment, allowing a better planning of the assessment and to save time during the audit.

Intermediate assessments are now possible, allowing the assessed company to be partially reassessed on specific areas.

There are currently 67 accredited assessors in the SQAS system. All of them passed a re-accreditation process for SQAS 2011.

At the General Assembly of the L&D Users Group on 16 Feb 2012, the experience obtained with SQAS 2011 was reviewed.

Contact: Victor Trapani at [vtr@cefic.be](mailto:vtr@cefic.be)

## ADR (Regulations concerning the International Carriage of Dangerous Goods by Road)

The consolidated list of all amendments to ADR 2011, adopted for entry into force on 1 January 2013, is available on, the

UNECE website: <http://www.unece.org/fileadmin/DAM/trans/doc/2012/dgwp15/ECE-TRANS-WP15-213e.pdf>. Most of these are smaller amendments relating to specific issues mainly coming from harmonisation with the 17th revised edition of the UN Model Regulations. This list will be supplemented a limited number of last-minute amendments or corrections adopted at the WP.15 meeting in May 2012. An official Addendum and possibly Corrigendum are expected to be available shortly thereafter.

Contact: Filip Jonckheere at [fjo@cefic.be](mailto:fjo@cefic.be)

## IMDG Code (International Maritime Dangerous Goods Code)

The amendments (36-12) to the IMDG Code have been listed in document DSC 17/3 (Report of the Editorial and Technical Group), which has been submitted for endorsement by the Subcommittee on Dangerous Goods, Solid Cargoes and Containers at the DSC 17 meeting in September 2012. These will become applicable on a voluntary basis on 1-1-2013 pending their official entry into force on 1-1-2014.

Contact: Filip Jonckheere at [fjo@cefic.be](mailto:fjo@cefic.be)

## Differences between the classification for transport (TDG) and the classification for supply and use (GHS)

In an effort to establish a global list of classified chemicals a joint TDG-GHS Working Group at UN level has agreed upon a set of guiding principles: transparency for all stakeholders – consideration of all hazard categories and classes – only substances (no mixtures) – clear identification of each entry (e.g. including impurities and CAS numbers) – inclusion of dataset and source of information. This list will be non-binding but may be adopted as regulation by individual countries. The next step is to identify a group of “pilot” chemicals.

Contact: Filip Jonckheere at [fjo@cefic.be](mailto:fjo@cefic.be)

## Cooperation with EMSA (European Maritime Safety Agency)

The Memorandum of Understanding concerning the MAR-ICE Network between EMSA, Cefic and Cedre for cooperation in case of maritime chemical transport emergencies has been prolonged for another 3 years as all parties were very satisfied about its functioning and added value. In this structure Cefic puts its ICE (Interventions in Chemical transport Emergencies) network of experts at the disposal of EU member states whereby Cedre (Centre of Documentation, Research and Experimentation on Accidental Water Pollution –F-Brest) has a screening function on incoming calls.

Last year a first set of 25 product datasheets, to be used for maritime emergency response purposes, has been developed by EMSA. Several sheets for particular substances have been commented upon and/or validated by appropriate Cefic Sector Groups, when available. In 2012 another 50 datasheets will be developed and offered for validation.

Contact: Filip Jonckheere at [fjo@cefic.be](mailto:fjo@cefic.be)

## HNS Convention

The International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 1996 - known as the HNS Convention - aims to ensure adequate, prompt and effective compensation for damage to persons and property, costs of clean up and reinstatement measures and economic losses resulting from the maritime transport of hazardous and noxious substances.

By 2009, the HNS Convention had still not entered into force, due to an insufficient number of ratifications. A second International Conference, held in April 2010, adopted a Protocol to the HNS Convention (2010 HNS Protocol), that was designed to address practical problems that had prevented many States from ratifying the original Convention.

The Convention establishes a two-tier system for compensation: tier one will be covered by compulsory insurance taken out by ship-owners, who would be able to limit their liability. In those cases where the insurance does not cover an incident, or is insufficient to satisfy the claim, a second tier of compensation will be paid from a Fund, made up of contributions from the receivers of HNS. Contributions will be calculated according to the amount of HNS received in each Member State in the preceding calendar year. Packaged goods will no longer be considered as contributing cargo to the HNS Fund but compensation for incidents involving packaged HNS will continue to be covered.

The 2010 HNS Protocol will enter into force 18 months after the date on which it is ratified by at least twelve States, including four States each with not less than 2 million units of gross tonnage, and having received during the preceding calendar year a total quantity of at least 40 million tonnes of cargo that would be contributing. Till now 8 States have signed, subject to ratification: Denmark, Canada, France, Germany, Greece, the Netherlands, Norway and Turkey. According to representatives from IOPC, the Convention is expected to enter into force in 2015. There is still a need for clear and uniform guidance on the definition of "receiver" and for concrete reporting requirements at national level for "receiving" companies.

More information on: <http://www.hnsconvention.org>.

Contact: Filip Jonckheere at [fjo@cefic.be](mailto:fjo@cefic.be)

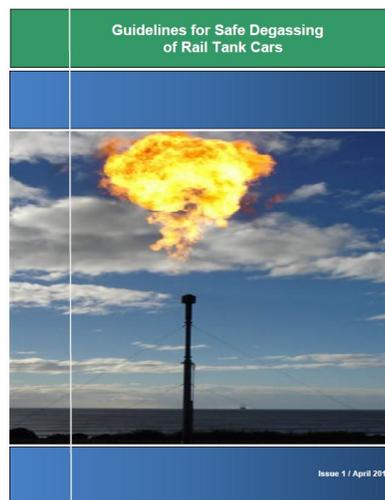
## Guidelines for Rail Tank Cars

The Cefic Rail Issue Team has issued new Cefic Guidelines for the Safe Degassing of Rail Tank Cars. These guidelines give guidance on safety management systems, equipment, personnel and detailed procedures that should be in place at workshops carrying out degassing activities of Rail Tank Cars.

See <http://www.cefic.org/Industry-support/Transport-logistics/Best-Practice-Guidelines1/General-Guidelines/>

The Rail Issue Team also started the revision of the Cefic Guidelines for the design, construction and testing of Rail Tank Cars for the carriage of liquid chemicals.

Contact: Filip Jonckheere at [fjo@cefic.be](mailto:fjo@cefic.be)



## Checklists to avoid leaks when filling or unloading rail tank cars

RID (Regulations concerning the International Carriage of Dangerous Goods by Rail) have set obligations for undertakings that fill dangerous goods into, or unload them, from tanks (e.g. tank-wagons):

- checking that closing devices are leak-proof once the tank has been filled (see RID 1.4.3.3), and
- ensuring that the valves and inspection openings are closed once the tank has been unloaded (see RID 1.4.3.7.1).

In order to help companies in complying with these requirements 4 concise checklists have been developed, covering respectively top filling, top unloading, bottom filling and bottom unloading. They are a chronological sequence of the steps, necessary for the proper filling and unloading of tank-wagons.

See <http://www.cefic.org/Documents/IndustrySupport/>

Contact: Filip Jonckheere at [fjo@cefic.be](mailto:fjo@cefic.be)

## Cefic presentations at UNCTAD Conference on Trade and Environment and GPCA Supply Chain Conference

Cefic has been invited by the United Nations to give a presentation on the chemical industry's perspective on sustainable transport at the UNCTAD XIII Conference on Sustainable Freight Transport in Doha on 25 April. This invitation was prompted by the Study on Measuring and Managing CO2 Emissions of European Chemical Transport, issued in 2010 by Cefic with support from professor Alan McKinnon. Cefic was asked to discuss the role of shippers in introducing sustainability principles by carriers and other partners and stakeholders across the supply chain. Also the role for international development agencies such as UNCTAD in helping the industry in shifting to sustainable transport will be explored.

Cefic will also give a presentation at the Supply Chain Conference of the GPCA (Gulf Petrochemicals & Chemicals Association) on 7 May on the topic of "Ensuring Safe and Secure Logistics Operations through Best Practices and SQAS"

Contact: Jos Verlinden at [jve@cefic.be](mailto:jve@cefic.be)