

ITCA 2019 Meeting

- Gantrade?
- Service Provider Qualification
- LBC Challenges in the Supply Chain

November 7, 2019



Gantrade Corporation



- **Gantrade is an experienced and responsive worldwide marketer of a broad range of monomers, intermediates, & polymers.**
- **Our products are sold to manufacturers in the coatings, adhesives, sealants and elastomers (CASE), emulsions and polymers, plastics and resins, construction, packaging, automotive and textile industries.**
- **Gantrade Corporation was founded in 1975 with the objective of the marketing and sales of petrochemicals. For over 40 years, Gantrade has shown continuous growth on a global scale, adding operational and logistical locations in the US, Europe and China to cost-effectively serve our customers and business partners.**



Gantrade Corporation



- **Worldwide operations include.**
 - 2 Bulk Liquid Terminals
 - Dedicated Rail Fleets
 - 8 Warehouses
 - ISO operations from about 15 depots Worldwide
 - 13.5 Mile Butadiene Pipeline
 - Contract Packaging



GC's Industry Affiliations

- **American Chemistry Council**
 - CHEMTREC
 - Responsible Care® - Management System
- **American Fuel Petroleum Manufactures**
- **NE Chemical Manufactures Association**
- **Chemical Industry Association (CIA)**
- **European Petrochemical Association (EPCA)**
- **Southwest Rail Shippers Association**
- **Polyurethane Manufactures Association (PMA)**
- **Center for the Polyurethane Industry (CPI)**
- **UTECH**
- **UN Global Compact**



UN Global Compact

The UN Global Compact's Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

- **Human Rights**

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses. (*Truckers against trafficking*)

- **Labor**

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.



UN Global Compact

- **Environment**

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

- **Anti-Corruption**

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery



Service Provider Qualification:

Gantrade selects service providers based their commitment to doing business in a “Legal and Ethical” manor, their commitment to Quality and Sustainability.

- Responsible Care or Responsible Distribution
- ISO 9001
- UN Global Compact

Business is allocated to among approved suppliers based on:

- Cost to serve.
- Meeting commitment.
 - No turn backs
 - No time performance



Changing Delivery Requirements

- **Custody Control**
 - High Security Seals
 - Verification of Seals integrity
- **Regulatory, Personnel and Environmental Concerns**
 - Fall protection
 - Ground Level Vapor Recovery
 - Slider chassis
 - Dry Break Couplers



Custody Control

- **CTPAT and INCO Terms place additional demands on carrier making final deliveries.**
 - Inbound inspection of ISO Tanks need to:
 - Verify the that ISO/PAS 17712 Compliant High Security Cable Seals were used.
 - Record the numbers and locations of seals on the inbound tank.
- **INCO Terms DAP, DAT, DDP require Proof of Delivery (POD)**
 - POD minimum, BOL Signed by Receiver Location.
 - Notation by driver that receiver refused to signed.



Custody Control

ISO/PAS 17712 Compliant High Security Cable Seal

Not



Regulatory Concerns

- **OSHA fall protection requirement at Plant and terminals are impacting ISO tank deliveries.**
 - Receiving locations have been slow to implement minimum fall protection standards.
 - Their initial response, was to have drivers access top fitting on tanks.
 - In response, Carrier's have changed their SOPs so that drivers are not required to climb tanks, if fall protection is not provided.
 - Another outcome is that ground level vapor recovery is increasingly being requested.



Personnel Concerns

- **Back injuries are one the major injuries categories at Plants and Terminals.**
 - Plant and Terminal Operating personnel and plant management do not want to reach over the rear deck to make hose connections.
- **Receiving locations are looking for deliveries in Iso Tanks to be more like deliveries in Tank Trucks.**
 - Receiving locations are increasingly requesting deliveries to be made in “Slider Chassis”.
 - A previously mentioned, ground level vapor recovery is increasingly being required. **The “hose wire tied to the ISO frame” will likely not cut it going forward.**



Personnel Concerns

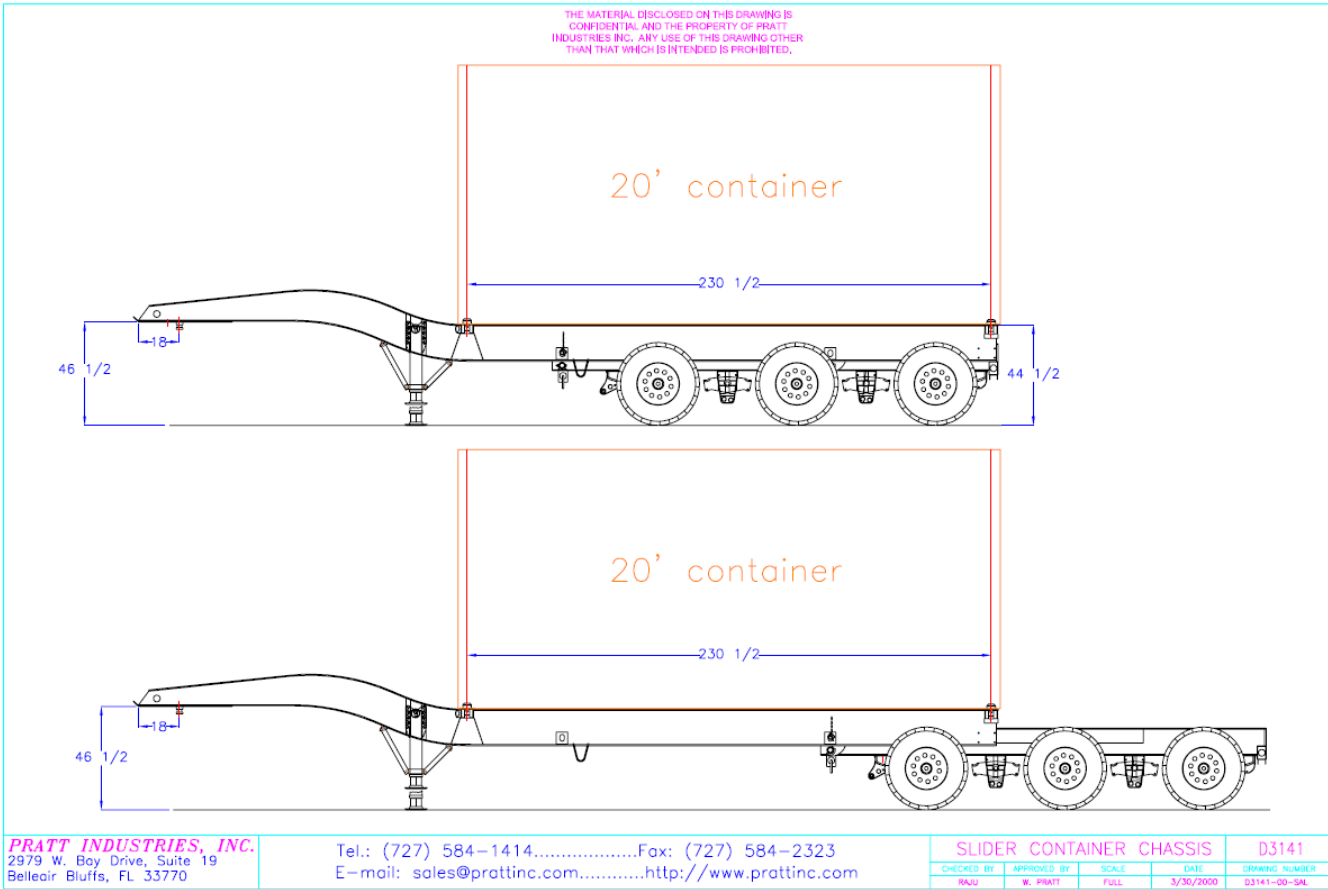


Parameter	ISO Chassis	ISO Tri Axles Chassis	Slider ISO Chassis
Length	43 ft	41 ft	41 ft
Width	96 in	102 in	102 in
Tare Weight	7400 lbs.	9800 lbs.	9875 lbs.
Rear Deck Height	44 in.	44 ½ in.	44 ½ in.



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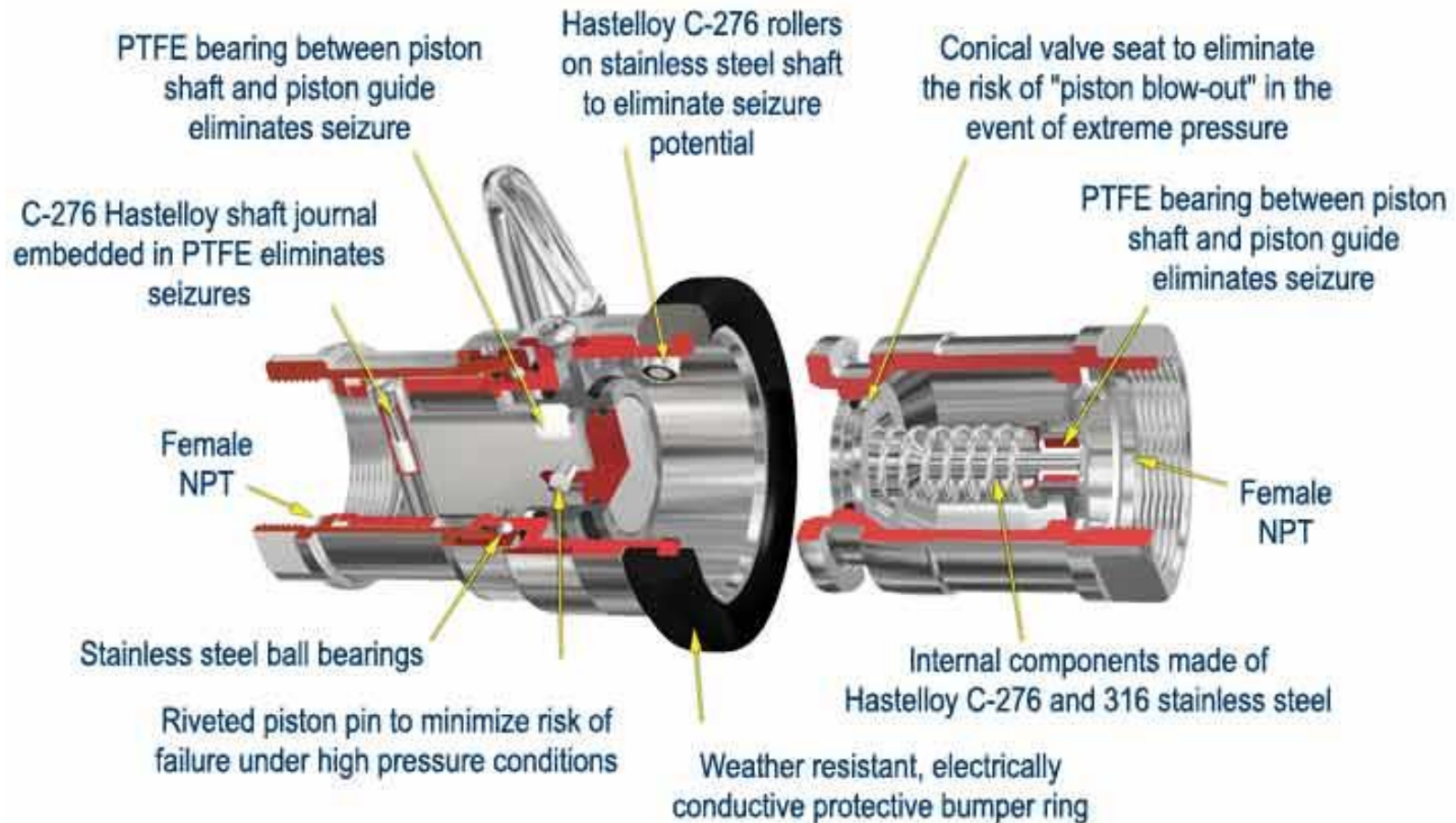


Environmental Concerns

- **All sustainability indicatives, include efforts to reduce Terminal/Plant waste generation, vapor release and product spills.**
- **As a result, receivers are tightening delivery requirements and, in some cases, requiring specialized equipment.**
- **In additional to the requirements previously discussed, as a shippers we also finding:**
 - An increase in product heel disposal costs.
 - And requests for specialize equipment such as “Dry Break” connectors (a common practice in the fuel industries).



Dry Break



Conclusion:

- **Shippers, NVOCCs and Dray carriers will increasingly find new and tighter restrictions placed on them.**
- **These will drive delivery costs for ISO Tanks higher and could make some supply chains uneconomically.**
- **The failure to finding creative and economic solutions to address these issues could:**
 - Erode the domestic use of ISO Tanks as an alternative to long haul trucking.
 - and could untimely affect the growth ISO tank imports to the US.

