

**ICMI Cyanide Code Transportation  
Certification Audit  
Summary Report**

**Intermodal Cartage Co., Inc.  
Memphis, TN**

**Submitted to:  
International Cyanide Management Institute  
888 16th Street, NW – Suite 303  
Washington, DC 20006  
USA**

*2010 Audit Cycle*



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Orlando, FL 32878  
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<b>Name of Operation:</b>	Intermodal Cartago Co., Inc. 5707 East Holmes Road Memphis, TN 38141-8206
<b>Name and contact information for IMCGG Contact:</b>	Mr. Kelly Peeks Safety Manager - ILS Email: <a href="mailto:kpeeks@iils.com">kpeeks@iils.com</a> Phone: +1-901-746-1641 Fax: +1-901-746-1644

### Location detail and description of operation:

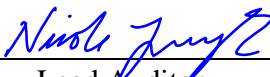
Intermodal Cartage Company, Inc. (IMCG) has been an established trucking operation in Memphis, TN since 1982. The company has thirteen locations in the Midwest and Southern part of the USA. The company has been transporting solid sodium cyanide for DuPont from the DuPont Memphis Plant and the associated LSI packaging facility to nearby rail heads in Memphis, Tennessee and Marion, Arkansas since October 2006. Local shipments to rail heads and the 2010 shipments made to ocean ports were evaluated as part of this audit.

The operation was originally audited and was found to be in full compliance to the ICMI Cyanide Code in 2007 using the non-certification approach that was available at that time. Solid sodium cyanide is packed into intermodal containers by DuPont personnel at the DuPont Memphis Plant and Lemm Services, Inc. (LSI) personnel at the adjacent LSI packaging terminal. Cyanide shipments are dispatched by DuPont personnel at the DuPont Plant and by an Intermodal Cartage employee who is a resident contractor at the LSI packaging facility.

IMCG is affiliated with a number of companies operating from the same industrial complex including Inland Intermodal Logistics Services (ILS) and River City Capital Leasing, LLC. ILS provides safety and risk management services to IMCG and preventive maintenance is performed by River City Capital Leasing, LLC. Personnel from IMCG, ILS, and River City Capital Leasing were audited during this certification audit.

IMCG and its sister companies are responsible for route determination, shipment tracking, truck inspections, preventive maintenance, training, safety program management, and emergency response planning. All of these operations were reviewed during the certification audit. The ICMI-approved Transportation Auditor verified that IMCG operations are in FULL COMPLIANCE with Cyanide Code requirements for transporters.

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Name of Operation

  
Lead Auditor

September 30, 2010  
Date

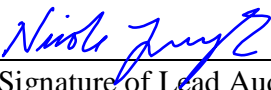
### *Auditor's Finding*

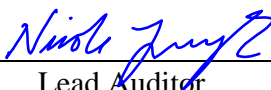
This operation is in FULL COMPLIANCE with the International Cyanide Management Code.

Audit Company:	Management System Solutions, Inc. <a href="http://www.mss-team.com">www.mss-team.com</a>
Audit Team Leader:	Nicole Jurczyk E-mail: <a href="mailto:CodeAudits@mss-team.com">CodeAudits@mss-team.com</a>
Date(s) of Audit:	May 11-12, 2010

I attest that I meet the criteria for knowledge, experience and conflict of interest for Code Verification Audit Team Leader, established by the International Cyanide Management Institute and that all members of the audit team meet the applicable criteria established by the International Cyanide Management Institute for Code Verification Auditors.

I attest that this Audit Report accurately describes the findings of the verification audit. I further attest that the verification audit was conducted in a professional manner in accordance with the International Cyanide Management Code Verification Protocol for Cyanide Transportation Operations and using standard and accepted practices for health, safety and environmental audits.

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Name of Operation	Lead Auditor	Date

**1. TRANSPORT:**      *Transport cyanide in a manner that minimizes the potential for accidents and releases.*

Transport Practice 1.1:      *Select cyanide transport routes to minimize the potential for accidents and releases.*

The operation is                       in full compliance with  
   in substantial compliance with      Transport Practice 1.1  
   not in compliance with

*Summarize the basis for this Finding:*

Intermodal Cartage (IMCG) uses a documented route selection method that takes into account population density, infrastructure, pitch & grade, proximity to water bodies, and prevalence and likelihood of poor weather and resulting poor driving conditions. The “Local Cyanide Route Selection” and “Over-the-Road Cyanide Route Selection” procedures detail the considerations that need to be made, the process for review and driver feedback, and the final approval process. Records were available to show that documented procedures are followed.

Most Cyanide shipments made by IMCG are short and consist of movement of material from the DuPont Plant or packaging facility (LSI) to rail heads in the area. Risks such as traffic congestion, dangerous turns, and poor road conditions were considered during the development of the routes. Several roads were excluded from the route selection process due to poor road or bridge infrastructure. This was done in order to mitigate avoidable risks. According to procedure, routes are reviewed at least annually. Records were available to confirm that local routes have been reviewed on a regular basis and that driver feedback is evaluated. Over-the-Road (OTR) shipments to ocean ports started in 2010. Evidence was available that all routes had been evaluated, found acceptable, and had gone through an approval process.

No special security concerns exist on the designated routes. Drivers only need to follow the pre-determined routes and avoid unnecessary stops. Containers are sealed prior to shipment. Interviews and records confirmed that processes are in place to ensure the security of the load from the point of loading until the point of discharge.

Records were available to show that IMCG contacted the Memphis City Fire Department to discuss emergency planning for the routes traveled. Community input regarding the transport of cyanide is gathered through the use of routing software that indicates whether communities have restricted use of specific roadways for the transportation of hazardous materials. IMCG is a registered hazardous materials transporter through the U.S. DOT Pipelines and Hazardous Material Safety Administration (PHMSA). As such, fees paid by the company are partially allocated to the training of a national emergency response network. IMCG also works together with its customers to ensure that emergency responder roles are understood.

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All approved cyanide drivers had been trained on the documented routes. Interviews confirmed that drivers adhere to designated routes and request authorization prior to deviating from established routes. IMCG uses Employee and Owner-Operator Drivers. With regards to cyanide shipments, Owner-Operators are managed in an equivalent manner as Employees. The Cyanide Code practices regarding the use of subcontractors are therefore not applicable to this transportation operation.

Transport Practice 1.2:      *Ensure that personnel operating cyanide handling and transport equipment can perform their jobs with minimum risk to communities and the environment.*

The operation is       in full compliance with  
   in substantial compliance with      Transport Practice 1.2  
   not in compliance with

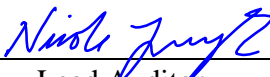
*Summarize the basis for this Finding:*

IMCG uses only trained, qualified and licensed drivers. Record reviews and interviews were used to confirm that all personnel operating cyanide transport equipment are appropriately qualified and have been trained sufficiently to enable them to perform their jobs safely and appropriately. None of the IMCG employees operate cyanide handling equipment other than trucks. The only yard handling done by IMCG is the movement of the empty intermodal containers prior to being loaded with cyanide.

Training records were very well organized and available for each of the drivers who are authorized for transporting cyanide. Complete training, qualification, and medical records are maintained for Employee Drivers and Owner-Operator Drivers (drivers who own their own trucks). Training records showed that drivers had been trained on the hazards of cyanide, established routes, pre-trip inspection procedures, and emergency notification procedures. Cyanide Safety training is given to drivers annually. Records were available to show that each Cyanide Driver had most recently received this training in either 2009 or 2010.

Records for all drivers and operations personnel are maintained centrally in a Safe Cyanide Transportation Training Record Book. A sample of drivers' licenses were reviewed and showed that cyanide drivers have the necessary licenses with hazardous materials endorsements. Records were also available to show that dispatchers were trained on emergency procedures and interviews confirmed that they understand their roles in the event of an emergency.

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Transport Practice 1.3:      *Ensure that transport equipment is suitable for the cyanide shipment.*

The operation is                       in full compliance with  
    in substantial compliance with      Transport Practice 1.3  
    not in compliance with

*Summarize the basis for this Finding:*

IMCG transports cyanide in intermodal containers that are loaded onto triple or slide chasses. Equipment, inspection record, and maintenance records for tractors and chasses used to transport cyanide were evaluated during the audit. The tractors and chasses were found to be mechanically sound and capable of carrying the loads for which they were being used. Weight tolerances were confirmed through the review of equipment files and by reviewing the information on the manufacturer’s data plates that are stamped on the bodies of the equipment.

According to equipment specifications reviewed, it is not possible to overload the tractor or chasses, however to ensure that United States Department of Transportation weight regulations are not exceeded, IMCG has recently developed a process that enables dispatchers to check combined shipment weights of cargo, intermodal container, tractor, and chassis. IMCG uses this process in lieu of weighing each shipment. This process was found to be acceptable by the auditor.

Transport Practice 1.4:      *Develop and implement a safety program for transport of cyanide.*

The operation is                       in full compliance with  
    in substantial compliance with      Transport Practice 1.4  
    not in compliance with

*Summarize the basis for this Finding:*

Cyanide packages are loaded into inter-modal containers by employees at DuPont’s partner packaging operation (LSI). Although technically outside the scope of this audit, LSI employees were witnessed as they followed blocking and bracing procedures during the loading of an intermodal container. The IMCG drivers are only responsible for ensuring that the container is secured to the chassis and that the transportation equipment is in good working condition, they have no responsibilities regarding the actual blocking and bracing of the load. Pre-trip inspection checklists are used by drivers to confirm that the equipment is safe and in proper operating condition. The pre-trip inspection is also used to confirm that the intermodal containers are properly secured to the chassis and that the chassis is properly secured to the tractor. Appropriate placards are displayed on all four sides of the intermodal containers. This is also confirmed during the pre-trip inspection. Equipment markings were found to be adequate and conformant during the audit.

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IMCG maintains documented procedures that address pre-trip inspections, preventive maintenance, limitations on driver hours, and the drug and alcohol abuse prevention program. Records from pre-trip inspections were sampled and were found to be complete. Preventive maintenance is contracted out to an IMCG sister company by the name of River City Capital Leasing, LLC. The maintenance shop is located at the same facility as IMCG and the two companies share the same Senior Leadership. A complete preventive maintenance service is performed per manufacturer recommendations. Annual inspections are also conducted per United States Department of Transportation requirements. Owner-Operators are required to submit maintenance records to IMCG monthly and to maintain their equipment to the same standards as IMCG maintains its own trucks. Computer system controls are in place to prevent the dispatch of equipment for which critical inspection and/or preventive maintenance tasks have not been done. Equipment preventive maintenance files were reviewed and were found to be acceptable.


The Safety Program includes limitations on drivers' hours in accordance with U.S. Federal Motor Carrier Safety Regulations (FMCSR). Drivers and dispatchers were very aware of the requirements, (i.e., number of driving hours, on duty hours, rest, etc). ICMG utilizes an ILS auditor to monitor driver logs and adherence to limits on driver hours. Records specifically for cyanide drivers were evaluated during the audit. Additionally, the internal safety compliance auditor was interviewed. The computer database showed that there were no "hours of service" violations on file for cyanide drivers for 2010, which was the timeframe sampled. The majority of shipments are short distance shipments that occur during day-time hours. For over-the-road shipments, driver's logs are prepared on each trip and sent into the log auditing program to ensure regulatory compliance and adherence to company policy.

Interviews with drivers and dispatchers confirmed that they can modify or cancel a shipment if driving conditions are considered to be unsafe. Any significant changes to the route or a suspension of the delivery are discussed with management as necessary.

A drug abuse prevention program is part of the company's overall safety compliance program. Drivers are randomly required to undergo drug and alcohol random sampling on a regular basis.

Records demonstrating compliance with all Cyanide Code safety program requirements were well organized and readily available for review during the audit.

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Transport Practice 1.5: Follow international standards for transportation of cyanide by sea and air.

The operation is  in full compliance with  
in substantial compliance with Transport Practice 1.5  
not in compliance with

*Summarize the basis for this Finding:*

At the time of the audit, IMCG was delivering intermodal containers to rail heads near the DuPont Memphis Plant and, to a lesser extent, directly to ocean ports as requested to do so. Packing, blocking and bracing is performed by LSI, a DuPont contracting packaging terminal. Adherence to the requirements of the Dangerous Goods Code (IMDG) of the International Maritime Organization was confirmed during audits of this organization. IMCG personnel apply placards to the containers. The IMCG employee responsible for placarding the sea containers was audited and the placards and markings on the sea containers were appropriate. The recent IMDG changes to the marine pollutant placard have been fully implemented and were visible on intermodal containers observed during the audit.

Transport Practice 1.6: Track cyanide shipments to prevent losses during transport.

The operation is  in full compliance with  
in substantial compliance with Transport Practice 1.6  
not in compliance with

*Summarize the basis for this Finding:*

Drivers have a number of different ways to communicate including a cell phone, radio, and an onboard fleet management computer system. Cell phones are used daily, but do not undergo periodic testing for functionality. The fleet management system is in continuous use and problems with the tracking system would become readily apparent. There are no shipments made through rugged and/or mountainous regions. Black out areas do not present a problem on the routes traveled because several different communication methods are available. No blackout areas or procedures were deemed necessary by the company. IMCG's approach to managing its communication needs was found acceptable by the auditor.

Cyanide shipments are tracked by dispatchers who are in contact with drivers throughout a shift. Interviews with dispatchers and drivers confirmed the process used for tracking shipments. Additionally, each truck is equipped with GPS tracking. Interviews indicated that this system provides real-time information regarding the location of each truck shipment. Intermodal

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containers are sealed and seal numbers are recorded and checked at the time of pick-up and discharge. The in-gate information from the rail heads was reviewed and confirmation was made that chain of custody documentation and processes are appropriate for maintaining control over inventory and prevent the loss of cyanide during shipment.

Drivers have shipping documentation including the Bill of Lading with them at all times during a shipment. Bills of Lading were reviewed. Information regarding the type of material transported, the type of container, the number of packages, and the weight of the shipment is consistently entered onto the Bill of Lading by the shipper. Drivers also have the sodium cyanide MSDS and Emergency Response Guides with them during deliveries. This practice was confirmed through interview and a review of information kept in trucks.

**2. INTERIM STORAGE: *Design, construct and operate cyanide trans-shipping depots and interim storage sites to prevent releases and exposures.***

Transport Practice 2.1: *Store cyanide in a manner that minimizes the potential for accidental releases.*

The operation is  in full compliance with  
in substantial compliance with Transport Practice 2.1  
not in compliance with

*Summarize the basis for this Finding:*

IMCG does not have any cyanide interim storage responsibilities. A policy was recently created that defines the specific requirement that cyanide shipments not be brought to the IMCG yard unless there is a problem that needs to be resolved. A record was available to show that this requirement was communicated to appropriate personnel.

**3. EMERGENCY RESPONSE: *Protect communities and the environment through the development of emergency response strategies and capabilities***

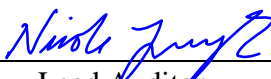
Transport Practice 3.1: *Prepare detailed emergency response plans for potential cyanide releases.*

The operation is  in full compliance with  
in substantial compliance with Transport Practice 3.1  
not in compliance with

*Summarize the basis for this Finding:*

IMCG has documented cyanide emergency response plans (ERPs) for local deliveries and over-the-road shipments to ocean ports that address all of the Cyanide Code requirements for the

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transportation of cyanide. The plans were reviewed and were found to be acceptable. IMCG drivers are to secure the scene and make a number of notifications.

The document entitled "Vehicle Accident Procedures and Reporting for Drivers" lists out the notification telephone numbers and the roles of external responders such as the contracted emergency response company HazMat One. The emergency planning documents identify the roles of local responders (fire and police). As a registered U.S. Department of transportation (DOT) Pipelines and Hazardous Material Safety Administration (PHMSA) hazardous materials transporter, IMCG also relies on the national network of trained emergency responders from the communities through which they travel.

Drivers have the emergency response sheets, emergency telephone numbers, and the MSDS with them during all deliveries. IMCG only transports cyanide via truck and all scenarios considered in the plan were related to truck accidents or small cyanide spills from packaging. Solid sodium cyanide (the only physical form transported), roadway infrastructure differences, and the roles of the different emergency responders are discussed in the plan.

Transport Practice 3.2:        *Designate appropriate response personnel and commit necessary resources for emergency response.*

The operation is	<input checked="" type="checkbox"/> in full compliance with	Transport Practice 3.2
	in substantial compliance with	
	not in compliance with	

*Summarize the basis for this Finding:*

The roles and responsibilities of relevant internal and external personnel are clearly described in the emergency plans. IMCG employees including drivers and dispatchers received training on the emergency response plans. Records from the classroom training were reviewed and were found to be complete. Training is refreshed annually. Drivers were interviewed and awareness of emergency procedures was appropriate.

Over-the-road trucks delivering to ocean ports are equipped with emergency kits that include a tarp to keep any spilled material dry and a shovel in case a dirt barrier needs to be created to contain a spill. The use of this equipment is referenced in the over-the-road emergency response plans. The equipment that is kept in the emergency response kits is defined.

Drivers sign an acknowledgement prior to each shipment that they have confirmed that they have their emergency equipment with them and that they understand how to use it. A formal check of the equipment is conducted by safety personnel on a 6-month frequency. Records were available to demonstrate this practice. Training records were available to show that drivers and dispatchers were being trained at least every two years on emergency response procedures.

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Transport Practice 3.3:      *Develop procedures for internal and external emergency notification and reporting.*

The operation is                       in full compliance with  
   in substantial compliance with      Transport Practice 3.3  
   not in compliance with

*Summarize the basis for this Finding:*

The notification procedures, including telephone numbers, are described in the Emergency Response Plans. In the case of an emergency, drivers are instructed to contact their dispatcher and the Safety office at the main office. Drivers have the necessary telephone numbers noted on the paperwork they carry in their trucks. Interviews confirmed that IMCG works with the shipper to ensure that notification procedures and telephone numbers remain current. The plan, including notification information, is also reviewed each year for adequacy.

Transport Practice 3.4:      *Develop procedures for remediation of releases that recognize the additional hazards of cyanide treatment chemicals.*

The operation is                       in full compliance with  
   in substantial compliance with      Transport Practice 3.4  
   not in compliance with

*Summarize the basis for this Finding:*

IMCG only has procedures that detail their role in an emergency which is primarily a notification role. IMCG would employ the services of a professional emergency response team to respond to an emergency and remediate as necessary. The current contract including the contractor scope of services was reviewed as part of the audit process. IMCG would also work closely with the shipper of the cyanide in the event of a release. Interviews with IMCG confirmed employee awareness of the hazards of using de-contamination chemicals in surface waters.

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IMCG Cyanide Transportation                      *Nicole Jung*                      September 30, 2010  
Name of Operation                      Lead Auditor                      Date

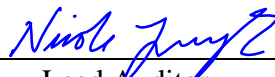
Transport Practice 3.5:      *Periodically evaluate response procedures and capabilities and revise them as needed.*

The operation is                       in full compliance with  
   in substantial compliance with      Transport Practice 3.5  
   not in compliance with

*Summarize the basis for this Finding:*

Emergency response procedures and plans are reviewed annually and drills are also conducted annually. Records were available to show that notification drills were conducted in 2009 and 2010. Local delivery drivers only have notification responsibilities, so this approach was found to be acceptable. Very few over-the-road shipments have been made and this practice had started shortly prior to this certification audit. Plans for 2011 include running a hands-on drill for drivers now that responsibilities for longer distance shipments are slightly modified and do include the expectation that drivers will know how to keep the material dry and dig a dirt barrier, as necessary. Interviews confirmed that the emergency response procedures would be reviewed after any deployment of the plan. Any necessary changes would be made, as necessary.

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