



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

On May 22, 2018, API along with PMAA, AGA, AFPM, INGAA and NOIA held a press conference call to highlight the steps that the natural gas and oil industry is taking to prepare its operations for the upcoming hurricane season and shared lessons learned and examples of the industry's resilience from past hurricane seasons. Below is a transcript from the call.

Operator: Good morning my name is (Ian) and I will be your conference operator today. At this time, I would like to welcome everyone to the Hurricane Season Preparedness Conference Call. All lines have been placed on to prevent any background noise.

After the speakers' remarks, there will be a question-and-answer session. At this time, if you would like ask a question, please press star then the number one on your telephone keypad. If you would like to withdraw your question, press the pound key. Thank you. Michael Tadeo, from API, you may begin your conference.

Michael Tadeo: Thank you, (Ian). Good morning. My name is Michael Tadeo here from the American Petroleum Institute. Thanks for joining today's call to highlight how the natural gas and oil industry is preparing for the upcoming 2008 hurricane season.

In addition to API, we have representatives from the American Fuel and Petrochemical Manufacturers, the American Gas Association, the Interstate Natural Gas Association of America, the National Ocean Industries Association, and the Petroleum Marketers Association of America on today's call.

Each of these associations represent companies that are critical to the energy supply chain. To kick it off, I'll turn it over to my colleague here



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

at API, Suzanne Lemieux from our administrative department, who focuses on emergency preparedness and response. Suzanne?

Suzanne Lemieux: Good morning and thank you for joining today's call. This hurricane season is set to begin on June 1st. We want to let you know a few things about how the National Gas and Oil Industry is preparing for these events.

First, our industry which supports 10.3 million jobs across the country has a long history of working with global state and federal officials prepare for and respond appropriately to hurricane.

In fact, our industry developed the oil and natural gas industry preparedness handbook to help government officials and agencies understand how our industry operate and how we can work together to protect the safety of our workforce and environment during events for this hurricane.

Second, our efforts to prepare for these weather events were evident during the 2017 hurricane season where consumers across the country saw limited impacts on gasoline prices. In fact, our nation's diverse energy infrastructure network, including pipeline, tankers and barges help ensure that consumers had the energy they needed and demanded before, during and after the storms.

Third, safety is our industry's top priority in all of our operations. For example, our companies regularly hold drills and exercises to simulate potential hurricane impact, like refinery shut down, and offshore



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

platform evacuation. These exercises are critical to ensuring that our workforce is prepared if and when an event occurs.

There's no doubt that our industry puts a high priority on preparing for and responding to weather events like hurricanes. When an event occurs, we are committed to helping communities recover because we are part of these communities. We saw this last season with our industry team help to aid and our recovery and rebuilding efforts throughout the gulf region.

This is part of our commitment to communities across the country. With that, I'll turn it over Sherri Stone from the Petroleum Marketers Association of America.

Sherri Stone: Thank you, Suzanne. Before, during and after a disaster, petroleum marketers, i.e. fuel distributors – working to get fuel where it is needed and as quickly as possible. Prior to a (particular) disaster such as a hurricane, marketers work to keep all of their clients, including gas stations, convenience stores, (pop) stops and marinas fully supplied with fuel.

Following a disaster, marketers resupply their clients – their clients as quickly as is possible. Many people do not realize that 96 percent of gas stations are independently owned. Originally, refiners owned the gas stations but they are almost entirely out of this end of the supply chain. Many of people do not – also, many people do not realize that 60 percent of those stations are single-store owned – ownership.



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

So, there are several critical things that are needed before a gas station can open following a disaster. Electricity to run the build, people to run the stores and clear roads so that marketers can get to the stations to refuel.

So, while the tough work of staffing the gas station and resupplying fuel is taking place, PMAA is working with federal government agencies to clear out regulatory hurdles in order to minimize delays and we are also coordinating with our petroleum marketing state association who are working very closely with their state and local government.

Marketers often take these services even further by helping to rebuild supply when there are declared emergencies in other parts of the country. The marketers who do this provide an invaluable service for the country and during the past years, PMAA has become involved in clearing the path with the most efficient distribution of fuel.

So, we have put together a disaster fuel response program to connect companies looking fuels during and following a disaster. With PMAA State Association marketers and heating fuel providers, who wished to provide the service.

Use of this program would be the first of (three) completed the programs of from the past month. We completed the program following the state of a number of calls during hurricanes Harvey, (Palma) and Maria.



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

Michael Tadeo: Great. Next, I'll go to Jeff Gunnulfsen from the American Fuel and Petrochemical Manufacturers bank. So, Jeff?

Jeff Gunnulfsen: Thanks. Good morning, I'm Jeff Gunnulfsen, Senior Director of Security and Risk Management for the American Fuels Petrochemicals Manufacturers, where we represent over 95 percent of the U.S. refined petrochemical industries in the U.S. which is almost all the refining in U.S. and are actively engaged in working with our members and government during emergencies, including hurricanes.

The refining and petrochemical industry (whoever makes you print) is every day, 364 days a year whether it's a hurricane or not, continuous safe operation of offshore is required being prepared for a variety of potential emergency situation – situations.

Hurricanes are just one of those and we've had our share of experience with that lately. But just like safety preparedness is the core value of our members and being prepared for hurricanes is something that we constantly are working on.

We developed comprehensive emergency preparedness plans, exercises plans, both at our site. and corporate-wide and also, with local and state and federal government. And we try to plan ahead to ensure that supplies where it's needed to be in the event of possible disruption. And have plans in place to resolve as quickly as possible.

Industry and government coordination is critical. Communications during Hurricane Harvey and (Armor) was exceptional this past year.



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

This current, larger because of the ongoing work of industry and government to improve our communications over the past couple years. AFPM's coordination with government agencies was integral in connecting our member companies with a proper government officials.

(Net) hoped for our members to receive waivers, allowed critical personnel to gain access to their facilities, and steps situation begin to resume operations. We expect that industry coordination with federal, state, local government will continue and is ongoing.

Our members participated in federal exercises and marketeering looking at lessons learned from these storms. So, our – we feel our industries are ready for this year's hurricane season. We've taken some actions to – from the lessons learned to prepare for the coming hurricane season.

We always have the different ride-out crews that stay with the facilities and monitor their services as they approach. We have a kind of a schedule for days out that they get ready and have new revised, new damage assessment protocols that we look at to revise with every storm if needed.

But remember, each storm is unique and our emergency response processes have been well rehearsed and we try to learn from our past storms.

So, we feel that we're – the industry is prepared for the hurricane season and we look forward to continuing to work for our – with our





POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

partners in the industry and the government to ensure that (are) safe and critical infrastructures protected and maintained.

Michael Tadeo: Appreciate, Jeff. Now to comment, I'll turn it over to Mike Bellman from the American Gas Association. Mike?

Mike Bellman: Right. This is Mike Bellman, Senior Director, Operations Engineering Services for the American Gas Association, and thank you for the opportunity to speak about the hurricane preparations of our natural gas operators.

The American Gas Association represents more than 200 local energy companies that deliver clean natural gas throughout the United States. Along with our regional Gas Association partners, we offer a mutual assistance program to members following any disaster or weather event with widespread interruption on natural gas service.

If a natural gas utility cannot respond with its own assets, a regional Gas Association will coordinate a response with other unaffected natural gas utilities from the area.

In extreme circumstances where weather event is so significant it creates a need for additional personnel and equipment beyond the capability of the region, the AGA mutual assistance program is activated in utilities from other regions respond to the need, providing personnel and equipment to help restore service safely and quickly.

Prior to hurricane season, AGA ensures that the mutual assistance database company contact list is up-to-date. And, AGA also conducts



national tabletop exercises of the mutual systems process approximately every two years.

For an individual utility, preparations for a forecast of hurricane typically begin four to five days before the hurricane lands in their service to our territory. The company will notify employees and set up shift schedules for critical response personnel which allows them to plan for the safety of their own families.

Companies will test emergency equipment such as backup generators and equipment used to excavate weld and join pipes together. Before expected impact, natural gas utilities will preposition equipment and personnel based on the make up the pipeline system, the hurricane's expected path and local topography.

Nationally (use) – (inaudible) – mutual assistance requests are rare. The last two times that national mutual system called upon were hurricane Katrina and super storm Sandy. Assistance was not requested in 2017.

The local natural gas utility was able to handle the impacts of Hurricane Harvey with their own employees. The natural gas pipeline network is primarily underground. The gas system in Houston remained intact and operational throughout Hurricane Harvey and the subsequent flooding.





POWER  
PAST  
IMPOSSIBLE.ORG



AFPM  
American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

During Katrina and Sandy, storm surge exposed and damaged pipelines which impacted the service. Such extensive damage required the national mutual assistance.

If gas remains flowing and no water gets into the pipeline system, then recovery is a the matter of restoring service to individual homes. Restoring gas service to individual homes is a gradual process that requires the return of an evacuated homeowner to allow access to their home.

Electric service typically must be restored and gas appliances must be operational and ready to light. Thank you.

Michael Tadeo: Great, Mike, I'll turn it over to Rebecca Massello from the Interstate Natural Gas Association of America. Rebecca?

Rebecca Massello: Thank you. Good morning, this is Rebecca, Director of Security Reliability and Resilience at the Interstate National Gas Association of America. INGA's a trade association that represent 27 interstate natural gas pipeline company, comprising of 200,000 miles of transmission pipeline.

As others in this call has mentioned, the natural gas industry has a proven track record of reliability and resilience. And that was most recently demonstrated by the 2017 hurricane season. Where we very little impact in nationwide natural gas prices and very few outed – outages on the natural gas pipeline network itself.



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

There are a few reasons why we can attribute this success. First and foremost, as Mike Bellman already mentioned, the pipeline infrastructure is largely underground which protect it from the elements of wind and flooding that you could see in hurricane situation.

There is also (pre-demnities) and supplies as we moved away from having more gulf coast-based supply and more inland sources. The natural gas supply comes from all over the country out now. So, in areas that are impacted by hurricanes, you can move supply from other parts of the country as well.

Adding to the stability, is the fact that there redundancies in the system that allow you to work around – localize outage and move gas during – around different taps. In addition, natural gas compressors allow gas to keep filling – flowing through the systems despite an electrical outage that may cause electrical compressors to go down.

In addition, another element to consider is the fact that we also have underground natural gas stores that provides an additional supply source in an event that there are localized outages.

And as others on the call have also mentioned, we do take planning for response and recovery very seriously and regularly update our emergency response and preparedness plan, work with federal agency partners on tabletop exercises to make sure that we are prepared in a true emergency event, most recently including that DOE clear path exercise which was an exercise that walked through a hurricane



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

situation in Mid-Atlantic region. And for obvious reasons we can see that we are continuing to prepare for hurricanes in upcoming season.

Michael Tadeo: Great, and now for (Bogota), Tim Charters from the National Ocean Industries Association.

Tim Charters: Thank you, Mike. So, let me around this panel out with a direct focus on the offshore industry.

We are extremely proud of the offshore industry safety, environmental and philanthropic record. Particularly this responds to natural disasters like hurricanes which challenge the vulnerability and resiliency of America's energy security.

Misguided and failed energy policies driven by regional political (nembism) means America's place for a vast majority of our offshore energy eggs in one basket.

The hurricane prone Gulf of Mexico. Well, the 2017 hurricane season caused widespread damage and human suffering in the Atlantic to the Gulf of Mexico. Thankfully, due to strong preparation skills and resources of our workers, offshore energy facilities from – fare remarkably well.

Despite the frequency and intensity of hurricanes and tropical storms in 2017, there were no reported deaths or injuries among – injuries among offshore workers, no reported damage to offshore facilities and no reported spills from offshore facilities. This is a testament to how well the offshore industry prepares and sponsor hurricanes.



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

At any given time, there are thousands of workers offshore producing energy and earning the living just put themselves to families in the community. Part of the arrival of a hurricane, offshore facilities are secured and personnel are evacuated in predetermined stages.

In addition, offshore companies provide critical support during disaster recovery efforts onshore. In the work – wake of Hurricane Harvey and Tropical Nate, offshore companies provided support services, emergency funds, housing and other assistance to their employees. And though then donated millions of dollars to Red Cross and similar organizations.

Energy companies work in the Gulf produce about 1.7 million barrels of crude and 3.2 million cubic feet in natural gas per day. The success of the offshore industry has helped position the U.S. as a world leader in the production of oil and natural gas.

Over the 2017 season where it – hurricane season (real just) how precarious that position can be. The lack of access to new sources of oil and natural gas outside of the Gulf of Mexico. And the infrastructure, they're centralized along the gulf coast resulted in temporary disruptions in the energy delivery system for major population (that's) across the United States.

Simply put, we dodged an energy security bullet in the 2017 season by geographically concentrating our (net) (Asian's) offshore energy



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

production, U.S. is rolling the dice each year when it comes to natural disasters.

That's why we must ensure continued development and production of our nation's offshore resources from both inside and outside the Gulf of Mexico.

Expanded development of our resources beyond the gulf will solve foreign dependency caused by infrastructure restraints. And make our nation more energy resilient as we face hurricane seasons each and every year. And, with that, I thank you.

Michael Tadeo: OK, Mike I appreciate it. Operator? Please instruct journalists on how to ask a question.

Operator: At this time, if you would like ask a question over the phone lines, please press star then the number one on your telephone keypad. We will pause for a moment to compile the Q&A roster. Your first question comes from (Chris Knight) from Argus, your line is open.

(Chris Knight): OK, thanks for hosting this. I got a question for Jeff. You said you taken some actions from lessons learned during the last hurricane season. Can you offer some specifics on what lessons you learned and what actions you've taken?

Jeff Gunnulfsen: Yes, I mean, I need to talk about some of the – a couple of lessons learned that our members will be working on for the upcoming season. I say this and all of our accomplishes this past year, we've had at least one hurricane session, if not many more.



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM  
American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

So, there's been a lot of discussion but a couple – let's throw some out of here. One, and this is a – common one, but the need for more people in the right out-crew with larger storms, which sounds intuitive. But they haven't dealt with a storm that large before affecting that large of an area before.

One issuing – technology one which is kind of a fun one – is a use of drones for damage assessment and access and access the areas, but also with that, having your own corporate, and site people certify to use the drones. So, you don't have to deal with contractors that couldn't get into your site anyways.

So, you want to have those drones on your site and certify people to use the drones on your site, so they could use them to assess damaged tanks or any damages on your site and get reports out quickly, so it is easier to get back up.

Also, with this, a large amount of rain, of course, and a large size of the storm. The need for a larger number of days of supply not only for the right out-crew, but for those that are outside going back and forth.

And then this happens – this is something with every storm, but with Harvey being so gigantic, he had a bigger issue with it. And that's employees they're just (x-ed) – because of so many employees' houses may be being flooded or there are more or less kind of on island, trying to get back to their site, or things like that.





POWER  
PAST  
IMPOSSIBLE.ORG



AFPM  
American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

So, that – that is – that's an issue with every storm but it got amplified, of course, with this storm being so extent – so much larger.

(Chris Knight): Thanks.

Michael Tadeo: All right, Operator, next question please.

Operator: Again, at this time, if you would like to ask a question over the phone lines, please press star then the number one on your telephone keypad. Your next question comes from Nick Snow, of Oil and Gas Journal. Your line is open.

Nick Snow: Good morning everyone, thanks for holding this teleconference. I have a question for all of you. Hurricane – hurricanes and severe storms have exposed electricity access as a major vulnerability. Could each of you tell me how you plan to address that problem?

Suzanne Lemieux: Sure, I can start off.

Michael Tadeo: And, your name?

Suzanne Lemieux: This is Suzanne Lemieux from API. So, there's several different ways in which companies can address potential loss of electric power.

There is backup generation, cogeneration, generators that can be brought in – a lot of large companies, particularly, terminals and refinery tasks (free) using contracts to bring in generators. They're pre-staged, away from the storm area and brought in as needed and after the storm passed.



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

There's also priority contract with their utilities – a lot of these large facilities may have multiple utility servicing their facilities for the redundancy but they'll priority restoration written into the contract.

It's something that they pay for, that they preplan so that they are restored as quickly as possible because – and there's a lot of pre-work that trades and relationships between the facilities and utilities to ensure that they know the criticality those facilities. So, they can restore them in an orderly fashion that helps them return the service. And if anybody else, OK.

Rebecca Massello: This is Rebecca Massello with INGA, the one thing that I went about is I'm – I mentioned before is there are both natural gas fired compressors and electric fired compressors.

So, in certain areas we are able to stagger the use of having some gas fired compressors and then some electric. So, that the gas fired ones can allow the natural gas keep flowing through the pipeline in the event that the electric ones go out.

And the compressor there, if you're not aware, those are what really helps to keep the pressure and they pipe up to an acceptable level so that the gas can keep flowing through the pipes.

Mike Bellman: This is Mike Bellman from AGA. We agree that the need for recovery is important. Typically, though we have our own backup equipment for our operators. It's though the – we need electricity for the homeowner before we can relight a lot of the appliances.



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

Many of the new natural gas appliances are high-efficiency ones, have blowers and fan that have to be operational before the safety would allow the equipment to be relit. So, that recovery of electricity to the user that the homeowner is important.

Michael Tadeo: Great, does anybody else like to chime in? OK, great. Operator, can you take the next call please and please remind journalists on the call how to ask a question.

Operator: Again, if you would like to ask a question over the phone lines, please press star then the number one on your telephone keypad. Your next question comes from Tom Tiernan of Foster Report, your line is open.

Tom Tiernan: Thank you. Thanks for having this call. And, one thing before I get to my question if – if the folks of Michael or others, the titles of the specific people, the email, didn't have titles also...

Michael Tadeo: Yes.

Tom Tiernan: Some folks – some folks gave them but...

Michael Tadeo: Yes, I see.

Tom Tiernan: If that can come out...

Michael Tadeo: No.

Tom Tiernan: Thanks.



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

Michael Tadeo: (Think not), I'm Mike Tadeo, I'm here from API. I'm going to be sending around a press release afterwards. I'll make sure you get it and it's going to have the name and title of everybody here.

Tom Tiernan: OK, thank you. Getting to the question. Like a couple of people talked about this a little bit, but I was wondering if there was any information sharing, protocols that came to the fore, given the duration of Harvey in terms of working with other sectors, with chemical companies, with large users that might have been unique last year compared with some other emergency preparedness plans on the information sharing specifically.

Michael Tadeo: What to think that we had a lot of coordination with – between industry and local and state and federal officials. But I'll turn it over to Suzanne Lemieux from API, they would know more. And then, we will see if anybody else has anything to add.

Suzanne Lemieux: So, there are there are standard calls that happen on a routine schedule that established during the storm. But before the storm makes landfall and then continues throughout the storm, and into the restoration – typically, in the oil and gas industry, they are led by the department of energy which is our sector-specific agency.

And so, they coordinate not only with the oil and sector, but they also coordinate with the electricity, the utilities sector, there are separate calls because of our anti-trust laws in oil and gas sector. But we share information with them.



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

There are processes in place for CIA to contact member companies directly to get specific information which because – again because of anti-trust, we're not allowed to collect or share trade associations. So, there are processes in place. But we do have to respect both the state and the federal anti-trust rules that are in place throughout the industry as far as pricing, supplies availability, et cetera.

So, there are formalized processes but there are also restrictions in place. And those call – and the department of energy shares that information back through the federal – in our agency which is coordinated by FEMA at the national response coordination center.

Jeff Gunnulfsen: Yes, this is Jeff right here.

Tom Tiernan: I'm going to place some follow-up – or go ahead.

Jeff Gunnulfsen: I'll just say this – Jeff at AFPM, and I'd echo what Suzanne said I – the government calls this time around seem to be pretty helpful compared to the past times...

Suzanne Lemieux: Yes.

Jeff Gunnulfsen: And with – and they were DLE for oil and natural gas, DHFs for a lot of different sectors and FEMA has their NBEOC calls and their FEMA dashboard which our members found to be very helpful.

Suzanne Lemieux: (Exactly.)



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

Jeff Gunnulfsen: And so there was a variety of information exchanges but from government asking industry for who needs help and what's the situation in and once a lot of member ask what's the latest for this road or that road – there's a lot of good information sharing that does occur during a storm.

Rebecca Massello: And this is Rebecca...

Tom Tiernan: And then, one follow-up on the – sorry, if I can get a follow-up in – one of the – one of the speakers mentioned the waivers that were granted. So, I don't know if DOE coordinate in – coordinated that or if that was member companies that reached out upon that – sorry...

Jeff Gunnulfsen: Yes, that was – yes, that was Jeff. This is Jeff at AFPM. I mentioned that because we did have a couple of members asked for labor assistance. And, that's one role association can help. We can't actually fill out the labor themselves, but we can prod the agency to help prioritize or talk to them about that. So...

Sherri Stone: And, this is Sherri with the Petroleum Marketers Association, we also help with the waivers especially the hours of service, and the fuel waivers. Those are seem to be the most critical ones and we work closely with our state associations on that, too.

Mike Bellman: Yes, Mike Bellman from AGA. We also seek out waivers from the department of transportation not only for the federal highway rules and hours of service. But also, from the pipeline hazards material safety





POWER  
PAST  
IMPOSSIBLE.ORG



AFPM  
American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

administration for waivers on some of the operator qualification issues so that workers from one utility can help out in other utility.

Rebecca Massello: And this is Rebecca Massello with INGA again. One point that I just wanted to add but – to what Jeff said about how this most recent hurricane season, level of information on the calls was really helpful.

I'd also like to commend our federal agency partners for hearing us out in better streamlining the calls to because there was less redundancy because there are a lot of calls that we need to participate on and a lot of information that we need to be paying attention to.

And that, I think, they made a wonderful leap in trying to better streamline those calls so that we're not spending so much time on calls and actually being able to be out there and responding where we need to.

Michael Tadeo: Great, thanks Tom. Operator, can we go to the next question please?

Operator: Again, at this time if you would like ask a question over the phone lines, please press star then the number one on your telephone keypad. Your next question comes from David Hahn of Houston Chronicle. Your line is open.

David Hahn: Hi, hey. David here. Two questions. Do you support Galveston Bay measures such as the coastal spine to protect these (chip) channel, to your member companies and are there discussions about helping to pay for such measures?



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

Suzanne Lemieux: As this is Suzanne Lemieux from API, we don't comment on specific projects or initiatives that would potentially benefit one or another member company. So, we can't comment on...

David Hahn: Suzanne, it – no, no it's not a – it's not a specific project. It was just an example. I'm talking about generally projects help protect this fund, the Houston ship channel?

Suzanne Lemieux: I would think generally yes. We are very supportive of the efforts by the U.S. Army of engineers to improve the dredging and maintenance of our (Inland) waterways and port systems. Certainly, the Houston ship channel is of particular value to oil and gas industry. And so, we want to keep proper maintenance, operations in dredging in particular.

So, as the Congress works through the next version of the water resources and development act of 2018, we're supportive of measures that will improve the – again, our (Inland) waterway and port system which are aging and in need of maintenance. That's a position that we are very comfortable taking.

David Hahn: But are there – are there discussions about helping to pay for such measures?

Suzanne Lemieux: So, the industry, currently, through taxes, such as the harbor maintenance trust fund and (NOI) inland waterways trust fund as well as taxes at the state and local level are already made and it should be dedicate to those projects.



---

We've seen, unfortunately at – within the appropriations process, that an OMB that those funds have not been properly spent on projects. That the course should be engaged in which is operations and maintenance of our public owned waterway infrastructure.

So, there is cost-share involved in all those projects. And so, those are funded in various ways. The port authority and the Houston ship channel corporation are engaged in those and so, there are ways for those private city-funded currently.

Michael Tadeo: OK, Operator next question, please. And this is going to be our last question on the call today.

Operator: Your next question comes from the line of Dino Grandoni of Washington Post. Your line is open.

Michael Tadeo: Dino are you there?

Dino Grandoni: Hear me?

Michael Tadeo: Dino, yes.

Dino Grandoni: Hello? OK.

Michael Tadeo: Yes, Dino, I can hear you.

Dino Grandoni: Can – OK, good. Thank you all for hosting this call. Are – I wanted to ask and the OIA about of wit that was made earlier about how



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

encouraging more offshore development would mitigate the risk from hurricanes of disrupting energy supply.

Mike Bellman: So, right. So, right now...

Dino Grandoni: That's right, yes.

Mike Bellman: All our – yes. All of our offshore...

Dino Grandoni: (Those are)...

Mike Bellman: Energy resources are focused obviously, in development, it's focused on the Gulf of Mexico. If we were to expand our operations and production to other places, we wouldn't face this annual cycle of can we keep things up and running and can we make sure that everything is safe.

And in that diversification, to places like the Atlantic or Pacific coast where we have some production right now, would help fill in gaps where we – where we see transportation infrastructure constraints limiting the ability of us to move product around so that to service some of those areas.

So, that's what we were highlighting and I think it's a critically important thing as we continue to see obviously large amounts of imports coming in throughout the Northeast and to California, so.

Dino Grandoni: OK, thank you for that.



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

Operator: Your next question...

Michael Tadeo: All right, Operator, I think we have – I think we have time for one more question.

Operator: Your final question comes from the line of Amy Beeman of WTSP.  
Your line is open.

Amy Beeman: Hey, this is Amy, can you guys hear me?

Michael Tadeo: Yes.

Amy Beeman: OK. So, this kind of goes along with the last question. I'm (down in for the) – and we saw a lot of problems last time. Just the shape of our state, we're a peninsula. So, it's kind of hard for trucks to get down, for barges to get in.

Shortages started happening ahead of time, from people evacuating from Irma, and then trucks and barges were kind of stuck for a few days. Are there any plans on how to have an ample supply down here? Maybe ahead of time. Is there any way to do that or is there any – anything being spoken of or discussed on how to fix that problem?

Sherri Stone: Hi, this is Sherri with Trolley Marketers Association. I – just one thing that we are going is we've been working with the government – I'm sorry, this just – with the government agencies to make sure that the – there are no delays at the waystations. That's something that was really holding people up basically as the...



POWER  
PAST  
IMPOSSIBLE.ORG



AFPM

American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

Amy Beeman: Oh, OK.

Sherri Stone: Yes, as the trucks were going through the pastor states to get to where the disaster is, sometimes there's not good communication at those waystation and they hold people saying, yes, you need certain permits or you need you're exceeding hours of service, and someone's even ticket them.

So, this is at being hold ensures delays. And we worked directly with (Sonsa) and also GOE and I think that that – there's a lot of attention being paid to that enough. Hopefully, that will run much more smoothly in the future.

Amy Beeman: OK.

Suzanne Lemieux: This is Suzanne Lemieux at API. I'll add that due our state petroleum councils which are located throughout the southern U.S., southeast in particular, we're working with our state petroleum council directors to help them coordinate better during these events.

So, that those past three states or those states that are not necessarily in the impact zone but could be impacted by the supply issues or transportation their states are better educated about what those issues are.

So, there's issues not just related to way stations but certainly to waivers for driver hours, weight limit, et cetera that can all be issues at those – at the state level. It's not just at federal levels. So, we are





POWER  
PAST  
IMPOSSIBLE.ORG



AFPM  
American  
Fuel & Petrochemical  
Manufacturers



Interstate Natural Gas Association of America



America's Offshore Energy Industry The Petroleum Marketers Association of America

---

focused on educating those state regulators so that they understand that things that happen in their state can impact people in other states.

Amy Beeman: Right.

Suzanne Lemieux: Even if they get directly impacted.

Amy Beeman: OK, thank you.

Suzanne Lemieux: Thank you.

Michael Tadeo: Great, well. Thanks, Amy. Well, it looks like that's all the time we have for the call today. I appreciate all you guys are dialing in and we had some great questions.

No doubt hurricane preparedness and response both before, during and after a weather event is a – is a top priority as a natural gas and oil industry. After the call, I'll be sending out a press release with the names and titles of everybody who spoke on the call on this morning.

Also, I'm going to be sending links in the release to some hurricane resources that we have. And so, if you guys have any questions, at least on the API side, you can – you can give me a call or an email [tadeom@api.org](mailto:tadeom@api.org) and actually on the release, we're going to have the contact information of the press – the press officers from every trade associate – association here. I appreciate all you guys dialing in, and please call me or email me if you need anything.

Operator: This concludes today's conference call. You may now disconnect.



---

END