

2016 API International Trade and Customs Conference

COAC / PIPELINE UPDATE



Michael Flickinger
API

Presented by

Twila Riffel
Enbridge Inc.

This Time Last Year



Pipeline Uniformity and everything pipeline to become part of COAC



Canadian Draft Policy on Continuous Transmission Commodities in abeyance



COAC group making significant progress on establishing pipeline knowledge base and working towards recommendations for Regulations



Cdn Draft CTC Policy still in unexplained abeyance!!!

Advisory Committee on Commercial Operations

- Duties are solely advisory in nature on the commercial operations of CBP
- Supported by Office of Trade Relations (DHS)
- Comprised of 20 COAC members and 2 co-chairs
- COAC members appointed for 2 year terms; representative of individuals and firms affected by commercial operations of CBP
- Formal COAC meetings quarterly

- **Subcommittees**
 - established for specific purposes
 - may not work independent of the chartered committee
 - Must present their work to COAC for full deliberation and discussion
 - Do not have authority to make decisions on behalf of COAC
 - May not report directly to government or any other entity

- **Pipeline Working Group (PWG) is under the Global Supply Chain (GSC) Subcommittee**

COAC Pipeline Working Group



CBP

COAC Members

- **Maria Boyce**, Designated Federal Office COAC
- **Michael Schreffler**, International Trade Liaison, Alternate Designated Federal Officer COAC

Government Leads

- **David McGurk**, PNGM CEE
- **Jim Swanson**, Director CCS/OFO
- **Lynn Fallik**, AD Field Operations Houston
- **Gary Rosenthal**, CCS/OFO
- **Robert Rawls**, CCS/OFO

Cheryl Johnson, PNGM CEE

Leslie Fleming-Luczkowski, APD Houston

Laura Webb, PNGM CEE

Jeffrey Saum, PNGM CEE

Timothy Van Dyke, CCS/OFO

Industry

COAC Members

- **Adam Salerno**, US Chamber of Commerce, GSC Co-Chair
- **Brandon Fried**, Airforwarders Assoc, GSC Co-Chair
- **Lisa Gelsomino**, Avalon Risk, COAC Member

API Representatives

- **Michael Flickinger**, API
- **Duane Welch**, Charter Brokerage
- **Michelle Forte**, Charter Brokerage
- **Melanie Kraska**, TransCanada Pipelines
- **Twila Riffel**, Enbridge Pipelines

Adrienne Braumiller, Braumiller Law Group

Bill Carr, Phillips 66

Colleen Clarke, Roanoke Group

Michael Thomas, Thomas International Group

Michael Lahar, A. N. Deringer

What's happening in the COAC PWG?

- Goal to identify framework for development of regulations, national policy, uniformity and automation for pipeline operations
- Develop understanding of
 - *Pipeline operations and systems*
 - *Physical nature of pipeline assets and scope of products transported*
 - *CBP management of risks and required reporting of pipeline movements*
- 15 official meetings (August 26/15 to March 15/16)

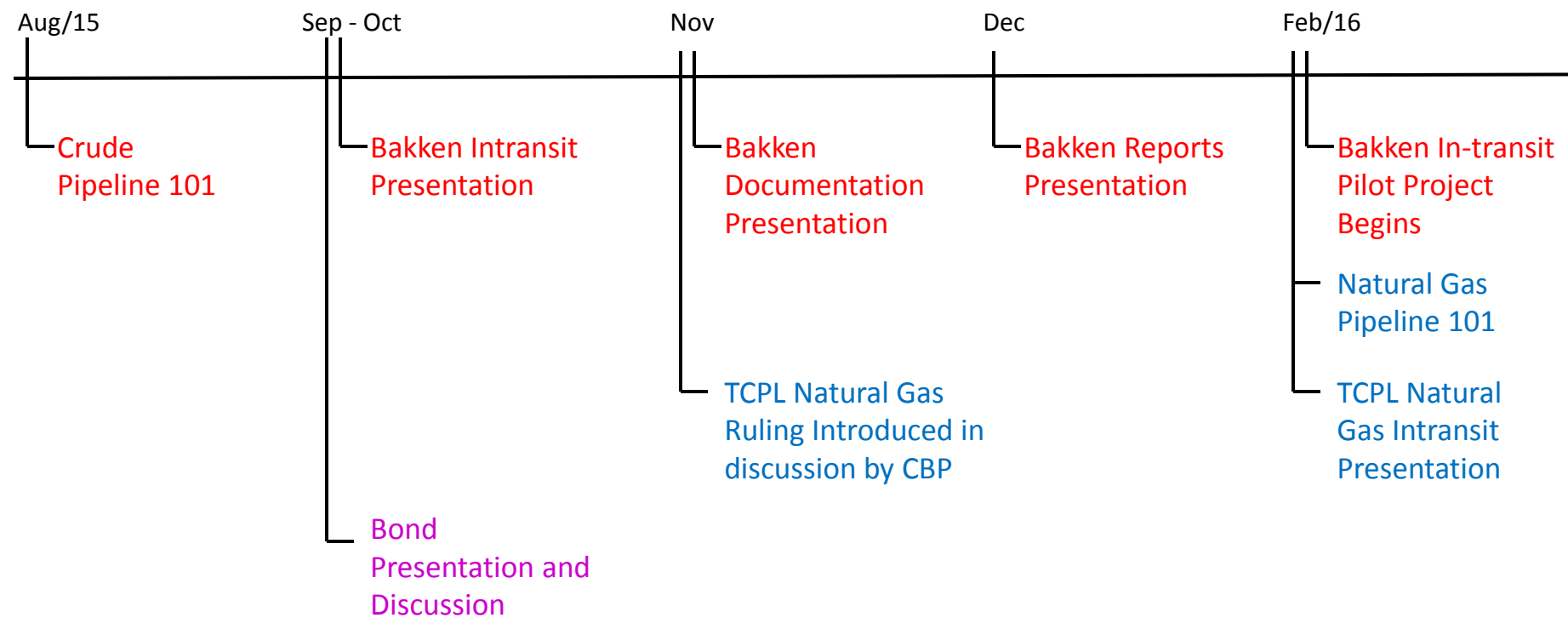
Industry's Focus

- Entry / entry summary
 - *Timing*
 - *Uniform procedures*
 - *Unit of quantity reporting*
- Pipeline Carrier issues
 - *Uniform reporting procedures*
 - *Advance manifest exemption*
 - *Bonding requirements*
- Data Reporting
 - *Recognition and use of industry standards and systems*
- In-transit / in-bond practices and protocols
 - *Consistency and clarity*

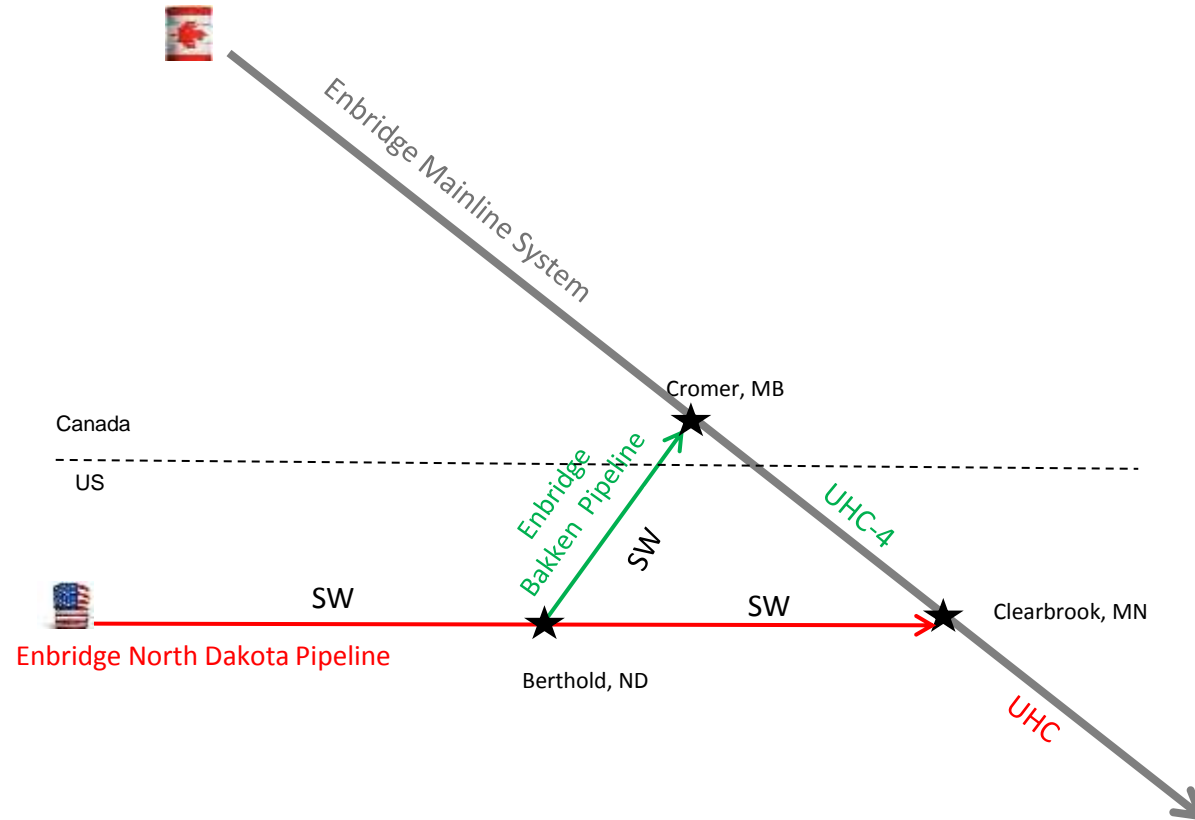
CBP's Focus

- In-transit
 - *Clear definition of in-transit*
 - *Timeframes for movements*
 - *CBP approved meters*
 - *In-transit manifests*
 - *Bonded movements*
- Automation
 - *Focus on automation to be consistent with other modes*
 - *Declarations/manifests by operator/carrier (consider delivery ticket tickets in lieu of manifest)*
 - *Automated filing of entries, uniformity, port of entry*
- Other
 - *Importer of record determination*
 - *Bonding requirements*

Where are we at?



The Enbridge Bakken Pipeline



Bakken In-transit Pilot Project

- For duration of 6 months, CBP to assess the information available from pipeline carrier to satisfy the requirement that crude is traceable throughout in-transit journey US-CA-US
- Enbridge Pipeline to provide
 - *Nominations on the first day of following month*
 - *Reports confirming receipt and delivery of US Bakken from US to Canada to final delivery after final reconciliation (approx 24th of month following)*

Hot off the press, we are pleased to announce

As of April 1, 2016

CBP will no longer require entry to be made for product moved in-transit on the Enbridge Bakken system

Pipeline Update



And meanwhile back in Alberta ...

Alberta braces for longest economic slump since 1980s

The death of the Alberta dream

Large-scale layoffs, empty office towers, falling house prices: Alberta has been gutted by the glut.

Group layoffs in Alberta close 2015 at more than 17,000 people - up 134% from 2014

Encana to lay off another 20% of staff, falls to loss

Alberta's oil and gas veterans look elsewhere for jobs after layoffs

Mass layoffs in Alberta nearly double past two years combined

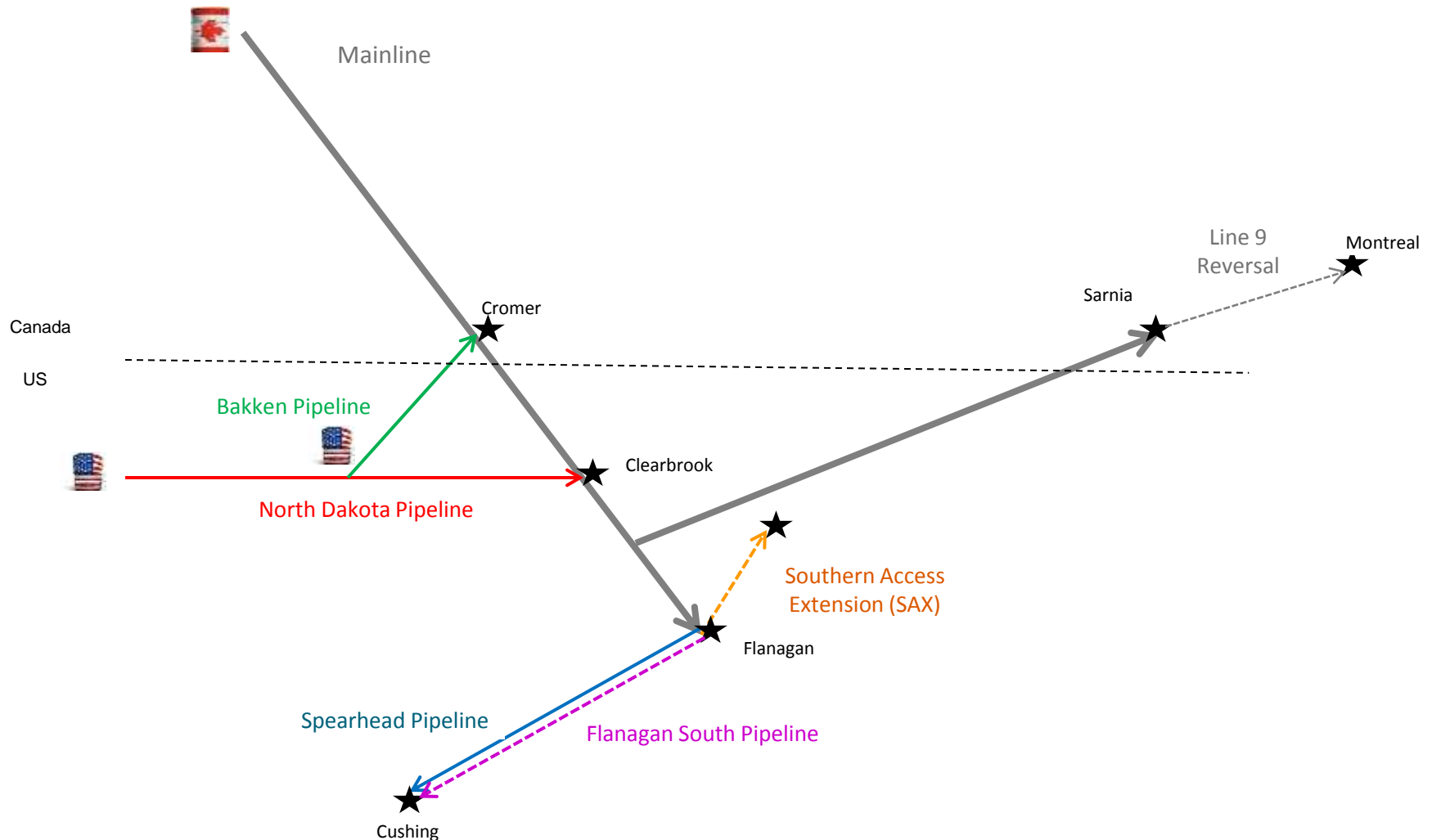
Companies have laid off 50 or more people at once 114 times, totalling more than 18,000 jobs

Enbridge Pipeline Perspective



1. Flanagan South - Dec 2014
2. Southern Access - Dec 2015
3. Line 9 to Montreal- Dec 2015
4. Uptake in Bakken Pipeline movements

Enbridge Pipeline System Simplified



Q&A