Overview of the American Petroleum Institute

API Committee on Petroleum Measurement

October 16, 2017
About API

The American Petroleum Institute (API) is the only national trade association representing all facets of the oil and natural gas industry, which supports 10.3 million U.S. jobs and nearly 8 percent of the U.S. economy. API’s more than 625 members include large integrated companies, as well as exploration and production, refining, marketing, pipeline, and marine businesses, and service and supply firms. They provide most of the nation’s energy and are backed by a growing grassroots movement of more than 40 million Americans.
API’s mission is to promote safety across the industry globally and to influence public policy in support of a strong, viable U.S. oil and natural gas industry.
Advocacy

We speak for the oil and natural gas industry to the public, Congress and the Executive Branch, state governments and the media. We negotiate with regulatory agencies, represent the industry in legal proceedings, participate in coalitions and work in partnership with other associations to achieve our members’ public policy goals.
Research & Statistics

API conducts or sponsors research ranging from economic analyses to toxicological testing. And we collect, maintain and publish statistics and data on all aspects of U.S. industry operations, including supply and demand for various products, imports and exports, drilling activities and costs, and well completions. This data provides timely indicators of industry trends. API’s Weekly Statistical Bulletin is the most recognized publication, widely reported by the media.
Standards

For more than 85 years, API has led the development of petroleum and petrochemical equipment and operating standards. These represent the industry’s collective wisdom on everything from drill bits to environmental protection and embrace proven, sound engineering and operating practices and safe, interchangeable equipment and materials. API maintains over 700 standards and recommended practices. Many have been incorporated into state and federal regulations; and increasingly, they’re also being adopted by the International Organization for Standardization, a global federation of more than 100 standards groups.
Each day, the oil and natural gas industry depends on equipment to produce, refine and distribute its products. The equipment used is some of the most technologically advanced available in the search for oil and gas and allows the industry to operate in an environmentally safe manner. The API Monogram Program verifies that manufacturers are operating in compliance with industry standards. API also certifies inspectors of industry equipment through our Individual Certification Programs. For consumers, API provides the API’s Engine Oil Licensing and Certification System (EOLCS). In helping to improve industry safety, API has a way for service station owners to make sure their contractors have been trained to industry safety standards. API WorkSafe™ is a service station contractor safety qualification program that identifies personnel who have received training for and passed on-line standardized exams covering the latest service station industry safety practices.
## Resource Committees

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<td>Economics &amp; Statistics Committee</td>
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<td>Federal Relations Committee</td>
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<td>Global Industries Services Committee</td>
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<td>Tax Committee</td>
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## 2017 Industry Priority Issues

Approved by Board of Directors – November 14, 2016

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<td>Air/NAAQS</td>
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<td>Safety and System Integrity</td>
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1 Issues not ranked in priority order
"By contesting every new pipeline, well, and mine we can keep fossil fuels in the ground and carbon out of the atmosphere."

350.org, January 6, 2016

"When we're able to focus on distinct, concrete projects, we tend to win."

Sierra Club, January 24, 2014

The ‘Keystone-ization’ of everything
API Campaign Structure

- Comms
- Mobilization
- State Affairs
- Federal Affairs
- Research
- Legal
- Policy

API Campaigns
Comms & Advocacy Vehicles

- Robust social media campaign (blog posts, Twitter & Facebook)
- Proactive media engagement with press releases and media availability, op-eds and LTEs

- Establish priorities & policy
- Support development of advocacy material

- Monitoring legal challenges to pipeline projects
- Joining litigation as directed by Midstream committees
- Participating as Amici

- Developing state specific bottom-up reports on infrastructure
- Conducting a nationwide infrastructure benefits study

- Recruitment & Outreach
- Education & engagement
- EC, EN, EF, & Microtargets

- State Petroleum Councils are monitoring state policy changes
- Participating in state agency & public meetings
- Working closely with mobilization to develop coalitions

- Organized an infrastructure coordinating group
- Educating congressional staff on permitting issues
- Preparing for upcoming FERC commissioner nominations and incoming administration and staff
Gridlock in Washington, combined with broader support for natural gas, has caused our opposition to—smartly—refocus their efforts on state legislatures and local and state ballot initiatives.

**Industry’s Challenge: Federal, State and Local**

**FEDERAL**
- Increased regulations on fracking
- Ozone regulations
- Renewable Fuel Standard

**STATE**
- Statewide fracking bans
- Infrastructure battles
- Severance tax fights
- Biofuels Mandates

**LOCAL**
- Local Control
- Community Bill of Rights
- Fracking bans
  - E-15
- Infrastructure battles
The Answer? Effective Grassroots Advocacy

- **Constituents Hold the Power:** Key to re-election is a “happy” constituency

- **Power in Numbers:** The more legislators hear from their voters on a particular issue, the more likely they are able to support or change their position

- **Air Cover:** Showing strong grassroots support is the most effective way to provide “air cover” to influential legislators
Mobilization

Micro-targets
High-propensity voters likely to support or be persuaded to support industry issues
41 million in 36 states

Energy Citizens
Citizens concerned about energy who are self-motivated and active in their communities
1.5 million in every congressional district

Energy Forums
Educational initiative targeting most influential, grasstops community leaders
Active in 23 states

Energy Nation
Advocacy platform for employees, spouses, vendors and retirees of oil and natural gas industry
300,000 in every congressional district

Strategic Partners
Non-traditional allies including labor, women, Democrats and minorities
Maximize reach to all 50 states, congressional districts and localities.
Defining Energy Infrastructure

ENERGY INFRASTRUCTURE

ENERGY ACCESS (SUPPLY)

ENERGY USE (DEMAND)

TRANSPORTATION INFRASTRUCTURE
- MARINE
- PIPELINE
- TRUCK
- RAIL

OTHER INFRASTRUCTURE
- TERMINAL
- SHORT-TERM STORAGE
- LNG EXPORT FACILITY
- ETC.
Broad national communications campaign on why oil and natural gas are important to everyday lives

Midstream Committee establishes Goals and Objectives for infrastructure development campaign based on strategic priorities (evergreen in nature and reviewed quarterly):
1. Provide Guidance
2. Validate & Approve
3. Manage for Alignment

Work groups and teams develop and implement to execute strategy
**API Resource Committees**

**Communications Committee**
- M. Tadeo

**Health & Environment Committee**
- H. Feldman

**Economics & Statistics Committee**
- S. Crookshank

**Law Committee**
- P. Tolsdorf (Pipeline)
- M. Hayne (Marine)
- M. Zimmerman (Surface/Rail)

**Midstream Committee – R. Rorick**
- Pipeline Subcommittee – D. Murk
- Natural Gas Subcommittee – R. Rorick/B. Barrus
- Rail/Surface Subcommittee – B. Barrus
- Marine Subcommittee – S. Lemieux
- Stabilization Task Force – S. Lemieux
- Security Subcommittee – S. Lemieux
- Oil Spill Emergency Preparedness and Response Subcommittee – S. Lemieux

**Executive Committee**

**API Board of Directors**

**Federal Relations Committee – V. Erfe**

**State Relations Committee – R. Hanson**

**Mobilization**
- D. Spooner
Waterborne Petroleum Shipments

Figures in red = crude, blue = products

Source: EIA
Pipeline

Challenges:

• Local public concern – NIMBY-ism (i.e. eminent domain, safety, etc.) AND Organized national opposition - NOPE-ism (i.e. climate concern)
  • Both of these can lead to activism and physical as well as regulatory obstruction of development
• Federal permitting processes (i.e. proposed changes to FERC process, NEPA, ESA, NWP, etc.)
• Public perception – no information or misinformation
Going forward…

- Greater Involvement on Projects
  - Coordination w/ Member Companies
  - Augment NOT Replace Campaign Activities
  - Participation in Hearings, Public Meetings, etc.
  - Comment Submittal
  - Others…
- Proactively Address Issues (i.e. Community Engagement, Eminent Domain, Tribal Issues, etc.)
- Ensure Readily Available Issue Information
- Greater Coordination w/in API
Thank You

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### 2017 Midstream Committee Priority Issues

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<td>Greenhouse Gases</td>
<td>Tank Car Design</td>
<td>Rail Prevention &amp; Response</td>
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<td>Port and Waterways Operations and Maintenance</td>
<td>Unmanned Aerial Systems</td>
<td>Terminals</td>
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<td>Infrastructure Campaign</td>
<td>Standards Development</td>
<td>Trucking</td>
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<tr>
<td>Oil and Gas Underground Storage</td>
<td>Security</td>
<td>Pipeline Reauthorization &amp; Implementation</td>
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<td>Pipeline Safety (Innovation, Technology &amp; Management Systems)</td>
<td>Oil Spill Preparedness &amp; Response</td>
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<td>Sampling &amp; Testing/Stabilization</td>
<td>Pipeline Information Sharing</td>
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<td>Rail Competition</td>
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<td>Emergency Preparedness</td>
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<td>PHMSA Rulemakings</td>
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<td>Vessel Discharges</td>
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1 Issues not ranked in priority order
Pipeline Infrastructure Campaign

Multi-faceted Approach

**OBJECTIVE:**
Provide comprehensive support for ongoing efforts to expand oil and natural gas pipeline infrastructure in the United States.

- Policy direction is being driven by Midstream & Market Development
- Internal coordination in bi-weekly full campaign meetings and bi-weekly state meetings
- Bi-weekly campaign update emails to membership
Mobilization

- Recruitment and outreach
- Education and engagement campaign – focus on social and digital media (video)
- NECAE activities & updated report

Post-election plan
- Initial focus on efforts in NY, MA, PA
- Increase literacy/direct impact of infrastructure projects while exposing false choices promoted by opposition.
- Build public support (traditional and non-traditional) for natural gas as primary solution to climate change.
- Promote the hypocrisy/reality of a “keep it in the ground” strategy.
Communications

- Robust social media campaign (blog posts, Twitter & Facebook)
- Press releases and media availability on DAPL and winter infrastructure needs in Northeast
- Op-eds and LTEs
- Online infrastructure video

Post-election plan
- Radio tours with State Petroleum Council Directors focused on infrastructure needs (Nov); further media blitz when state legislatures are back in session (Jan/Feb)
- Continued social media – more shareable videos planned
- Paid media campaign in MA, NY, PA with television component and corresponding targeted social media

9/13 - Press call with Sean McGarvey (NABTU)
State & Federal Affairs

State Affairs

• State Petroleum Councils are monitoring state policy changes that may impact the development of pipeline infrastructure
• Participating in state agency and FERC hearings and public meetings
• Filing supportive comments with regulatory agencies
• Working closely with mobilization to identify and develop partnerships and coalitions

Federal Affairs

• Organized an infrastructure coordinating group with other DC trades that is meeting regularly
• Educating congressional staff on permitting issues and preparing for upcoming FERC commissioner nominations and incoming administration and staff changes
Research & Legal

Research

• Developing state specific bottom-up reports on infrastructure benefits to end-users
  • Focus on anecdotes and relatable numbers
• Conducting two studies: nationwide infrastructure benefits study and natural gas end use

Legal

• Monitoring legal challenges to pipeline projects and joining litigation as directed by Midstream and Market Development committees
• Participating as Amici in the following cases:
  • Constitution Pipeline Company v. New York State
  • Sunoco Pipeline L.P. v. Teter
  • Portland Pipe Line Corporation v. City of South Portland
  • KM Utopia pipeline
Advocacy & Coordination Tools

- Issue Papers (e.g. Pipeline Education Series)
  - Cover a variety of topics
  - Energyinfrastructure.org

- State infrastructure overviews/2-pagers
  - Combining results from bottom-up studies and information on natural gas use and benefits (NE, NY, PA)

- Pipeline development/permitting tracking
  - For natural gas – project status tracking sheet for projects in priority states; need assistance from SPCs on state level permitting
  - For liquid pipelines – relying on third-party report for project data; need assistance from SPC on on-the-ground permitting issues

- Internal bi-weekly campaign meetings & bi-weekly state/regional coordination meetings – bi-weekly midstream newsletter
Midstream Issue Papers

- Energy Security
- Daily Lives
- All Energy/Balance
- Emergency Response
- Operator Qualification
- Control Room Management
- Water crossings
- SMS
- In-line Inspections
- Integrity Management
- Damage Prevention
- Valves
- Spill Plans
- Safety Efforts
- Pumps
- Gathering Lines
- Methane
- Compressor Stations
- NG Pipeline Safety
- Underground Storage
- Landowner Concerns
- Environmental
- Infrastructure Benefits
- Eminent Domain
- Aging Infrastructure
- Natural Gas NPRM Talking Points