

COLONIAL PIPELINE OUTAGE HIGHLIGHTED TERMINAL OPERATIONAL ISSUES

Cathy Landry at ILTA looks at the extent of the impact on US terminals of the DarkSide ransomware attack that brought down the Colonial Pipeline

➤ **THE RECENT** ransomware attack that brought Colonial Pipeline – and nearly the entire East Coast petroleum product supply chain – to its knees highlighted operational issues where the terminal industry could help overall fuel supply resilience with assistance from regulators.

It also made clear the need for greater emergency contingency planning and dialogue between terminal operators, US Coast Guard headquarters, local captains of the port, governors, and the US Environmental Protection Agency (EPA).

Two specific issues raised during the outage included the need for temporary air emissions waivers at terminals and more flexibility at facilities requiring Transportation Worker Identification Credentials (TWIC) during emergencies. ILTA engaged officials with both agencies during the Colonial Pipeline outage and the slow return to more normal operations.

REQUEST TO EPA FOR TEMPORARY AIR EMISSIONS WAIVER

ILTA pressed EPA for temporary air emissions waivers related to landing floating roofs. Terminals must land the floating roof if product levels in the tanks diminishes to the point that the roof is no longer floating on the surface of the stored liquid. When this occurs, and the roof is resting on its legs or is supported from above by cables or hangers, it is referred to as 'landing' a roof. Landing a roof can cause greater emissions, but in a shortage situation failure to do so limits available supply that could be accessed from storage tanks. Terminal operators could load the extra fuel on tanker trucks to help ease market constraints.

With the reopening of the pipeline, supply is beginning to flow and the need to pull from inventories is waning somewhat. Still, Colonial has said that actual operations and fuel quality will remain inconsistent in the coming weeks. For example, transmix increased as various product sat in the pipeline and intermingled during the shutdown. Transmix is the unusable

mixture of two distinct fuels such as gasoline, diesel or jet fuel that forms at the boundaries between fuel shipments inside of a pipeline. Transmix and no longer meets the specifications of any original fuel product.

More importantly, phasing up operations over the thousands of miles of the Colonial pipeline system is a complex undertaking, and further disruptions are still possible.

While the need is not as urgent with the pipeline resuming flows, ILTA believes EPA should work with governors and terminal operators to put in place a contingency plan for future waivers. Terminal operators are experts at logistics and handling of bulk liquids, and they stand ready to help policy makers craft approaches that will enhance the resilience of critical energy infrastructure. ILTA will continue to work with the Biden administration's EPA to educate it on the issue to help ensure the resilience of the fuel supply chain in the event of any future shutdown or disruption.

OUTAGE SHOWS NEED FOR FLEXIBILITY IN TWIC ACCESS REQUIREMENTS

The Colonial Pipeline outage also made clear the importance of tanker trucks and terminals. The government responded to some issues. During the peak of the outage, tank truck drivers were having to make faster turnarounds and sometimes longer trips – as much as an extra 80–180 miles (129–161 km) each time. The federal government granted area-specific waivers allowing tanker trucks to carry more gas than safety guidelines usually permit. It has also waived some hours-of-service rules, permitting drivers to stay on the road for longer than usual.

But one issue that caused problems for terminals – and that was only addressed on a case-by-case basis by the Coast Guard – was entry of non-TWIC-holding tanker truck drivers into TWIC-required facilities. Prior to the outage, many drivers focused exclusively on loading from inland terminals, which require a HAZMAT-

endorsed license, but not TWIC cards. Because many drivers were asked to pick up at marine terminals not usually part of their rotations, some were unaware of the different security requirements at those facilities, causing delays.

The government's decision to grant Jones Act waivers to two companies may have increased the need for drivers with TWIC IDs. The Jones Act waivers temporarily relaxed the requirement that only US built, owned and operated ships can transport goods shipped between US ports. The waiver essentially allowed maritime shipments to replace those lost by the Colonial pipeline outage, increasing the need for tanker trucks to pick up from marine terminals.

ILTA worked with the Coast Guard to help members get temporary deviations of the TWIC rule by using alternate security measures. But the solution was largely localised, with individual facilities requesting deviations directly to the effected facilities' Captain of the Port (COTP).

This problem highlighted the need for ILTA members to work closely with their COTP concerning alternate security measures related to TWIC. It also shone a spotlight on the need to educate regulators about the issued related to non-TWIC truck drivers in the event of similar transportation distribution events.

While the operational effects of the Colonial Pipeline outage are finally easing, it's clear that the fallout is far from over. During the post-mortem of the event, ILTA expects opportunities to address terminal industry specific issues.

More than that, the incident clearly underscored the need for increased diligence against cyber threats.

For more information:

This article, by Cathy Landry of the International Liquid Terminals Association (ILTA), previously appeared on ILTA's blog page, Think Tank.

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