

update

Michael J. O'Connor, President

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VPCGA Board Meets with Colonial Pipeline COO on Line 25



Last Friday, members of VPCGA's Board of Directors met with Gerald Beck, COO of Colonial Pipeline Company to discuss the planned closure of Colonial's Line 25. Mr. Beck detailed the company's decision to close the pipeline in August 2018 after integrity issues were discovered last March along a 40 mile section of the line which was constructed in the early 1970's. After reviewing options, he stated they reached a conclusion that it makes the most economic sense to close the pipeline as reconstruction and repair would lead to renegotiation of right of way agreements with more than 400 property owners. At the end of the day their view is expenses would not be recovered from the tariff charged to move product on the line.

We stated that this decision would likely have the effect of transferring costs to service the area to distributors and their customers, and pointed out that the previous day's meeting in Lynchburg had attracted over 100 participants, including state and local government, railroads, terminal operators, transporters and petroleum marketers. Preliminary estimates are that added transportation costs to replace Line 25 products with motor fuels from Greensboro or Richmond

would equal 4-6 cents per gallon, and require about 170 additional tanker trips per day into the region, with no guarantees that other terminals could satisfy the region's demands on a 365 day basis.

At the end of an hour of frank discussions both parties agreed to meet again in 30 days. In the meantime, VPCGA will be working to educate federal officials with oversight over pipeline operation and safety on the impact of Line 25 closure and work with them to identify alternative solutions to closure. Concurrently we are working with the McAuliffe administration and key members of the General Assembly to quantify the impact closure will have on employment, fuel availability and price in the region. We will be reporting new developments as they happen and have started a new facebook group for those interested to follow along. See the [FB group here](#) and click "**JOIN GROUP**" to request.