

# STORY PARTNERS

## Public Affairs & Communications Strategy Update

2014 NAPTP Annual Meeting

July 17, 2014





## PRESENTATION OVERVIEW

- Current State of Play
- Review of Recent Public Opinion Polling on Energy Issues – facilitated by Paragon Insights
- Discussion of Key Messages
- Overview of Media Environment
- Review of Public Affairs Activities and Upcoming Priorities
- Q&A Session

## Strategic Objectives for Public Affairs & Communications:

Continue to positively frame and defend the existing MLP tax structure in the media, as well as with audiences that are important to the public policy dialogue in Washington –

- Media relations and rapid response
- Proactive editorial and issue advocacy content
- Close coordination with the Government Relations function
- Third-party outreach and alliance development
- Placing MLPs into the proper (political) context for our targeted audiences

# CURRENT STATE OF PLAY

ANDREW FIMKA

What is the major communications challenge in the current issue environment?

“Dynamic Gridlock”

Dynamic Marketplace

Political Gridlock

How do these competing perspectives impact our message?

We can get trapped in a “Winners vs. Losers” prism

MLP success is seen as a negative

Washington’s role is to rein in MLPs

How do we move forward with our messaging?

We give context to MLP success

We work to mitigate political risk

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# PUBLIC OPINION POLLING ON ENERGY ISSUES

Paragon Insights

- Michael Ramlet
- Nathan Klein

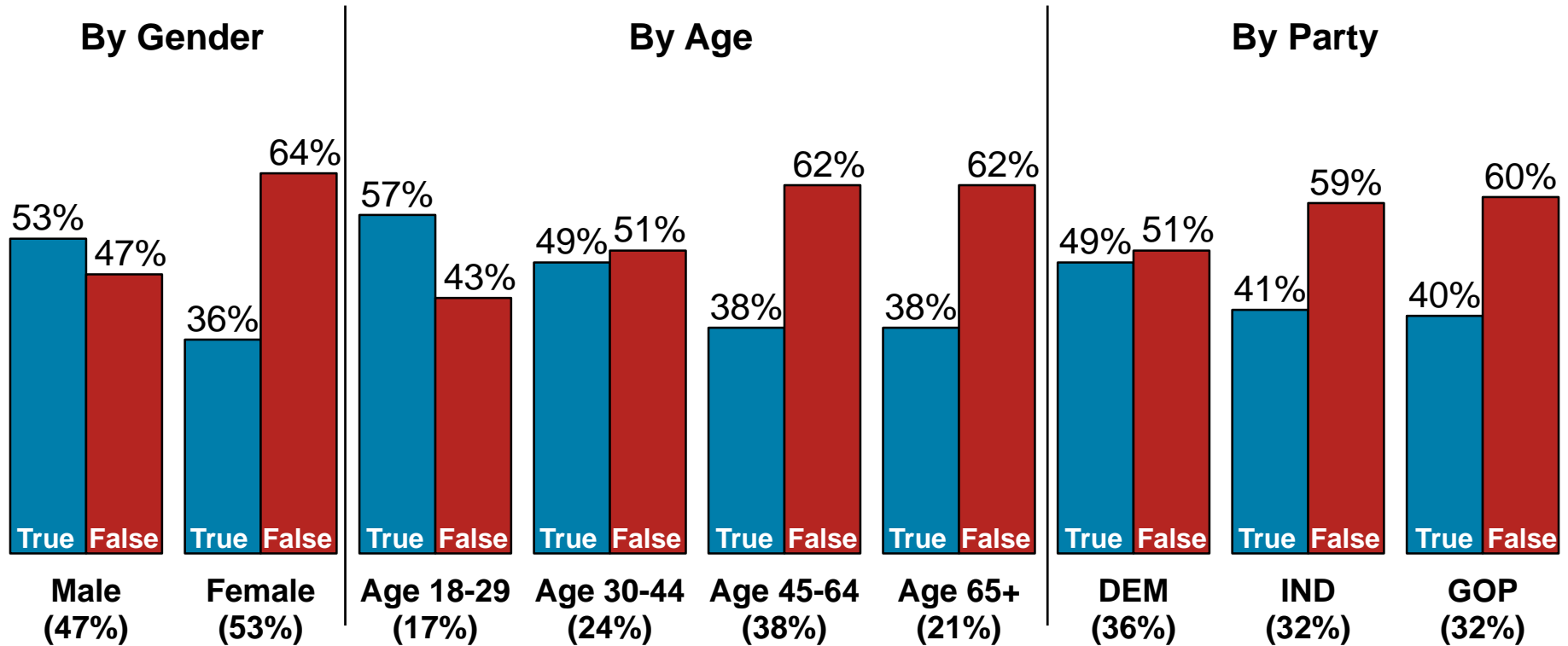


**PARAGON**  
INSIGHTS

No significant partisan differences, but men and younger voters more optimistic about America's energy standing.

*True or False. The United States is becoming an energy superpower.*

Total: 44% - 56%

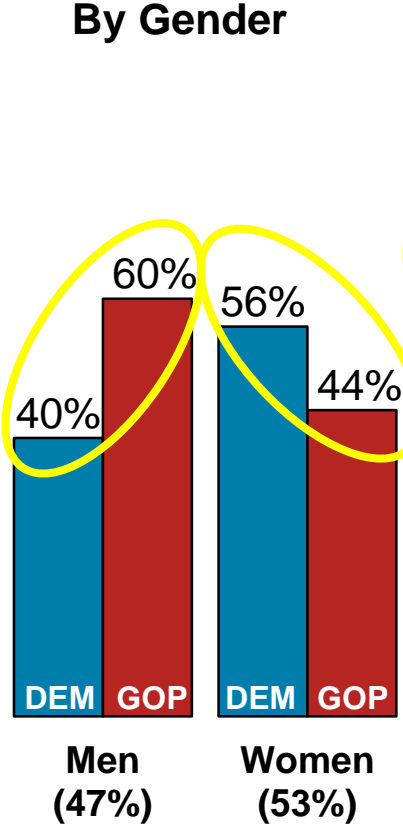


On which party is trusted more on energy issues, slight edge to GOP, not note the HUGE gender and generational gaps.

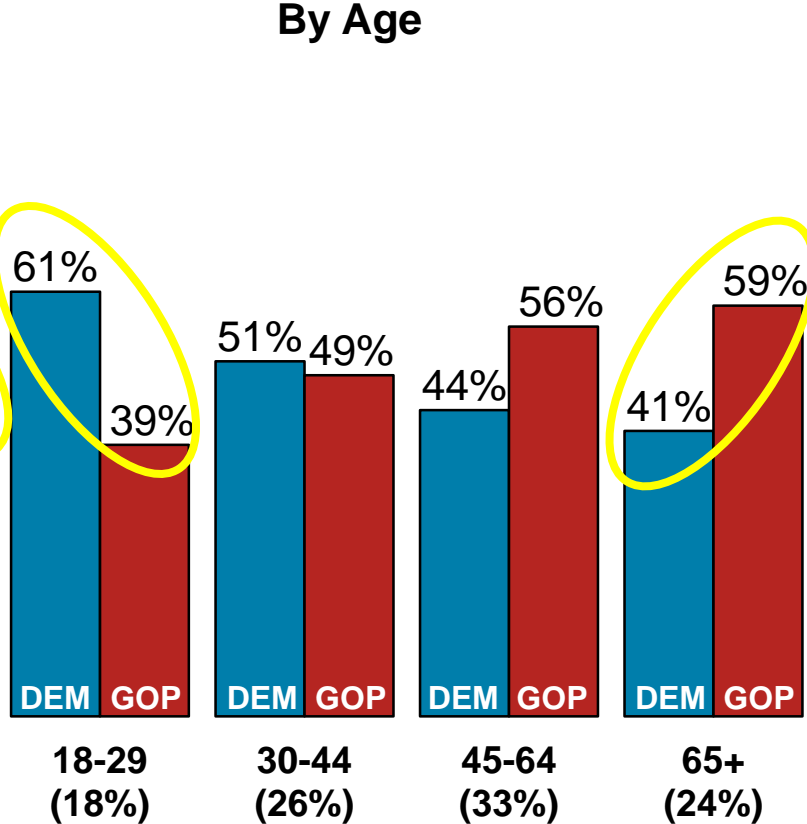
*When it comes to energy-related issues, which political party do you trust more?*

**Total: 48% - 52%**

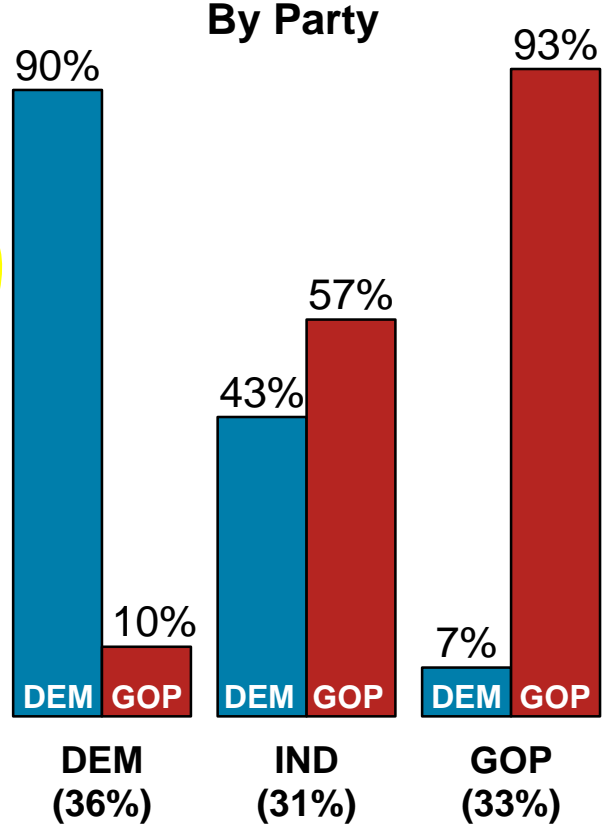
**By Gender**



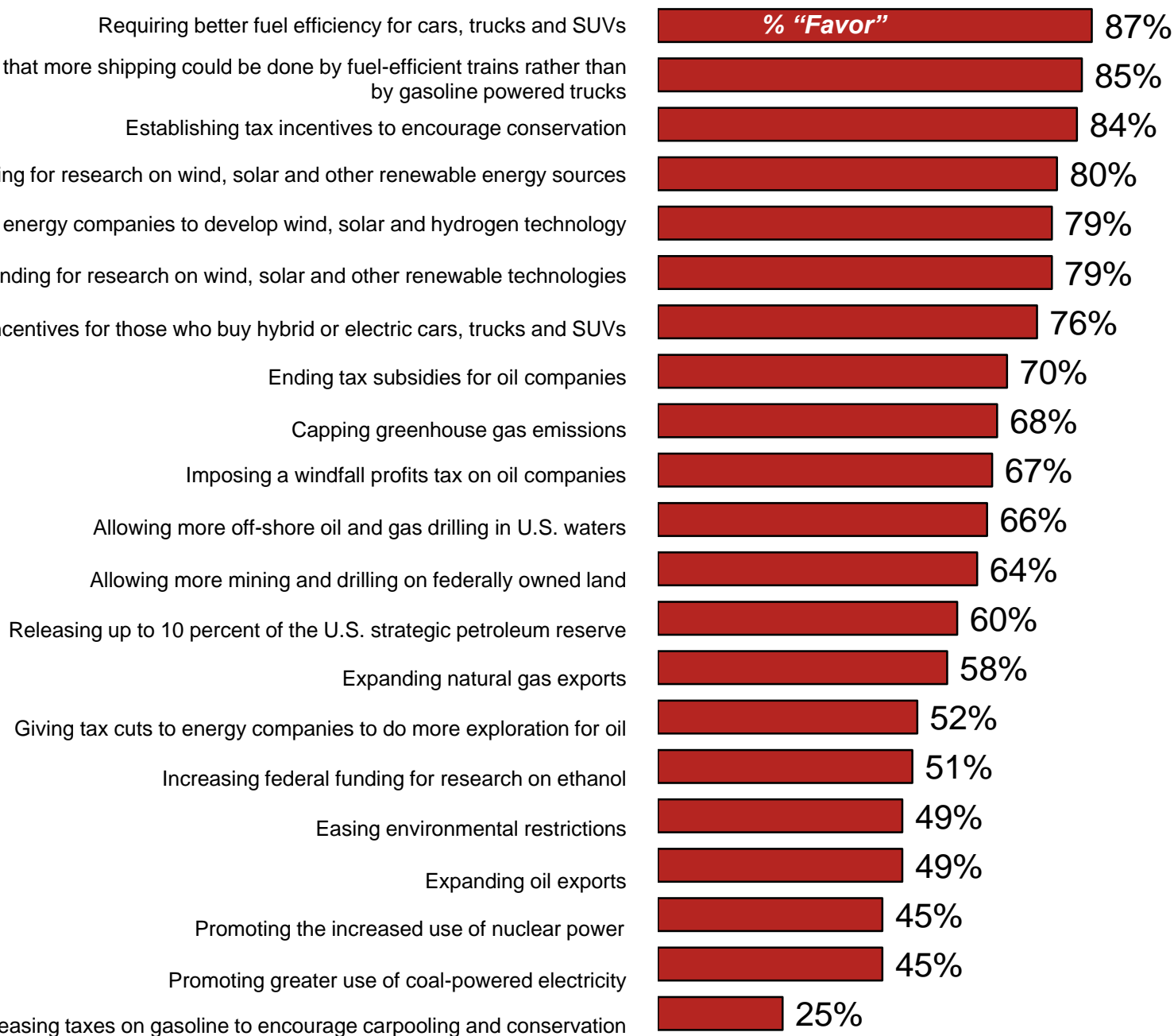
**By Age**



**By Party**



**As I read some possible government policies regarding energy, tell me whether you would favor or oppose each...**



140314 National Energy Poll, March 28-30, 2014 N=1,997 Likely Voters



# Majority say invest more in domestic energy infrastructure.

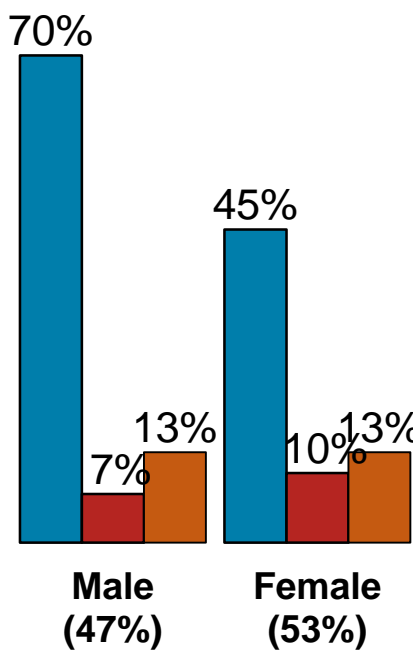
Please indicate which point of view you agree with more, even if none are exactly right...

*The U.S. should invest MORE in its domestic energy infrastructure*

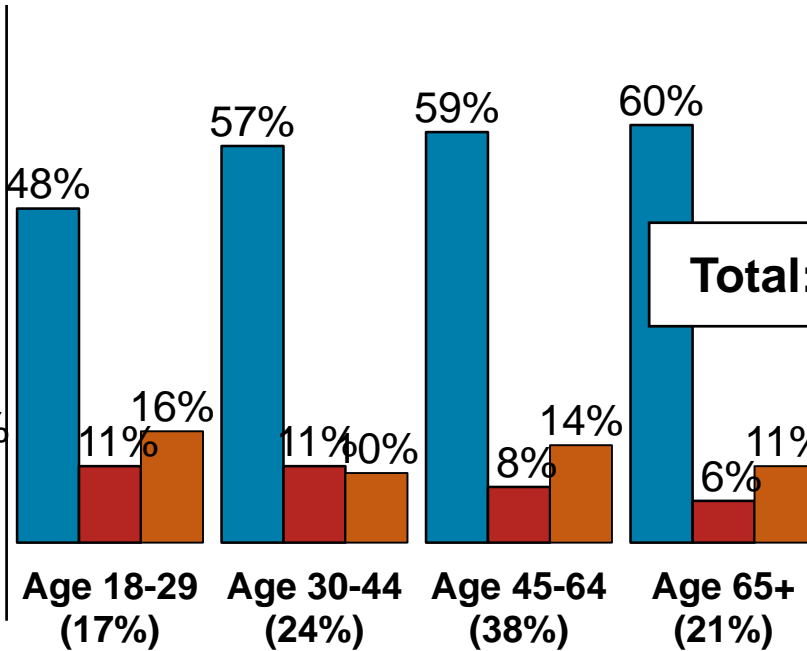
*The U.S. should invest LESS in its domestic energy infrastructure*

*The U.S. is investing the correct amount in its domestic energy infrastructure*

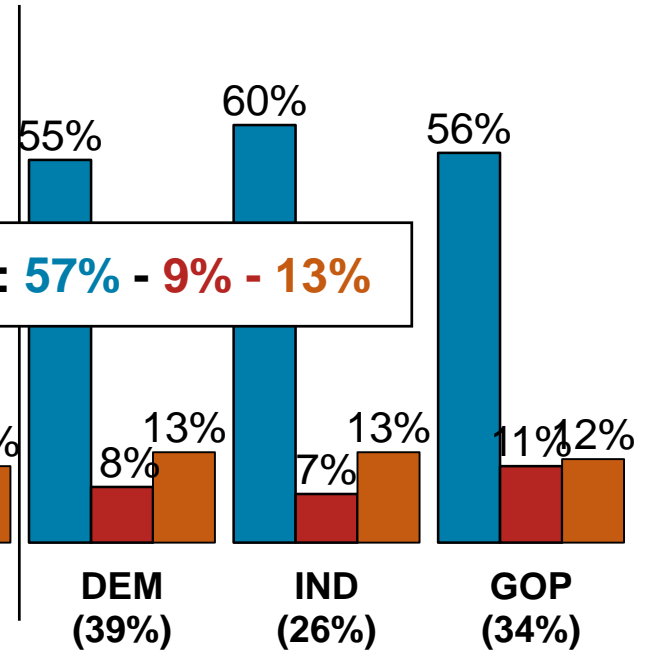
By Gender



By Age



By Party



**Total: 57% - 9% - 13%**

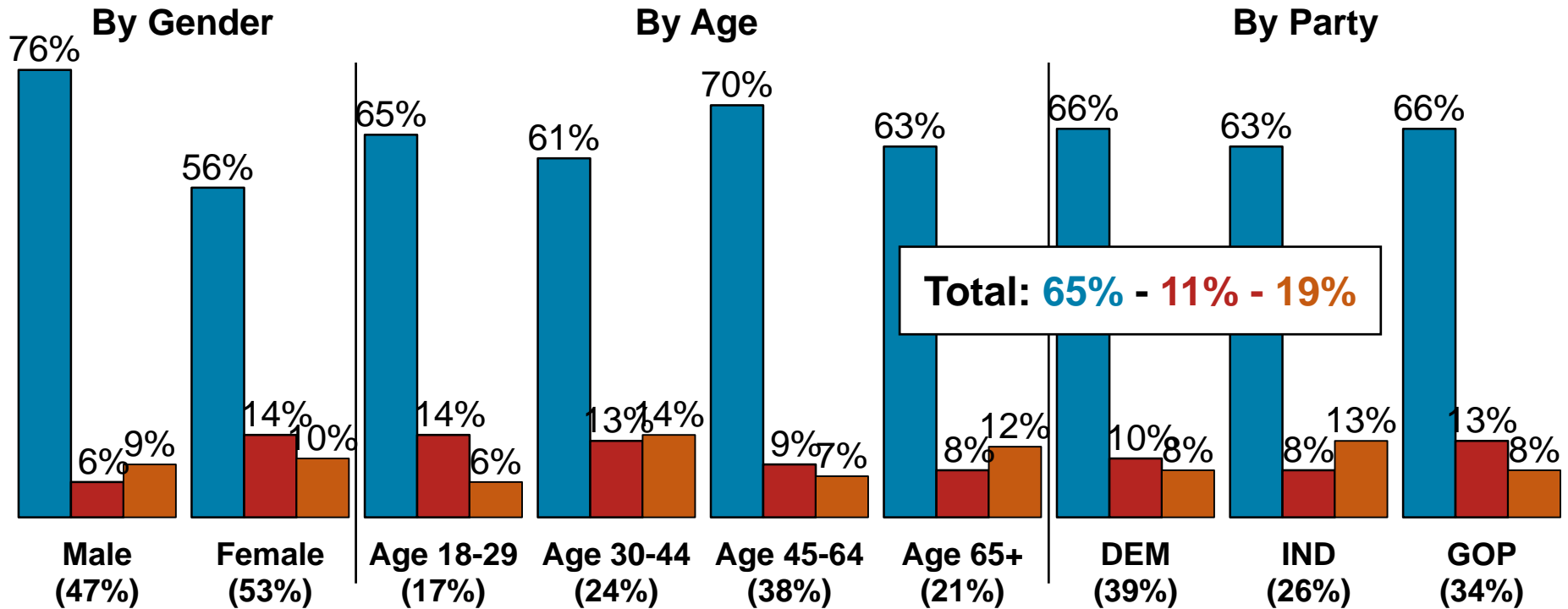
And, fully two-thirds believes this will create jobs.

*Do you think more investment in the United States domestic energy infrastructure would lead to...*

*MORE jobs in the U.S.*

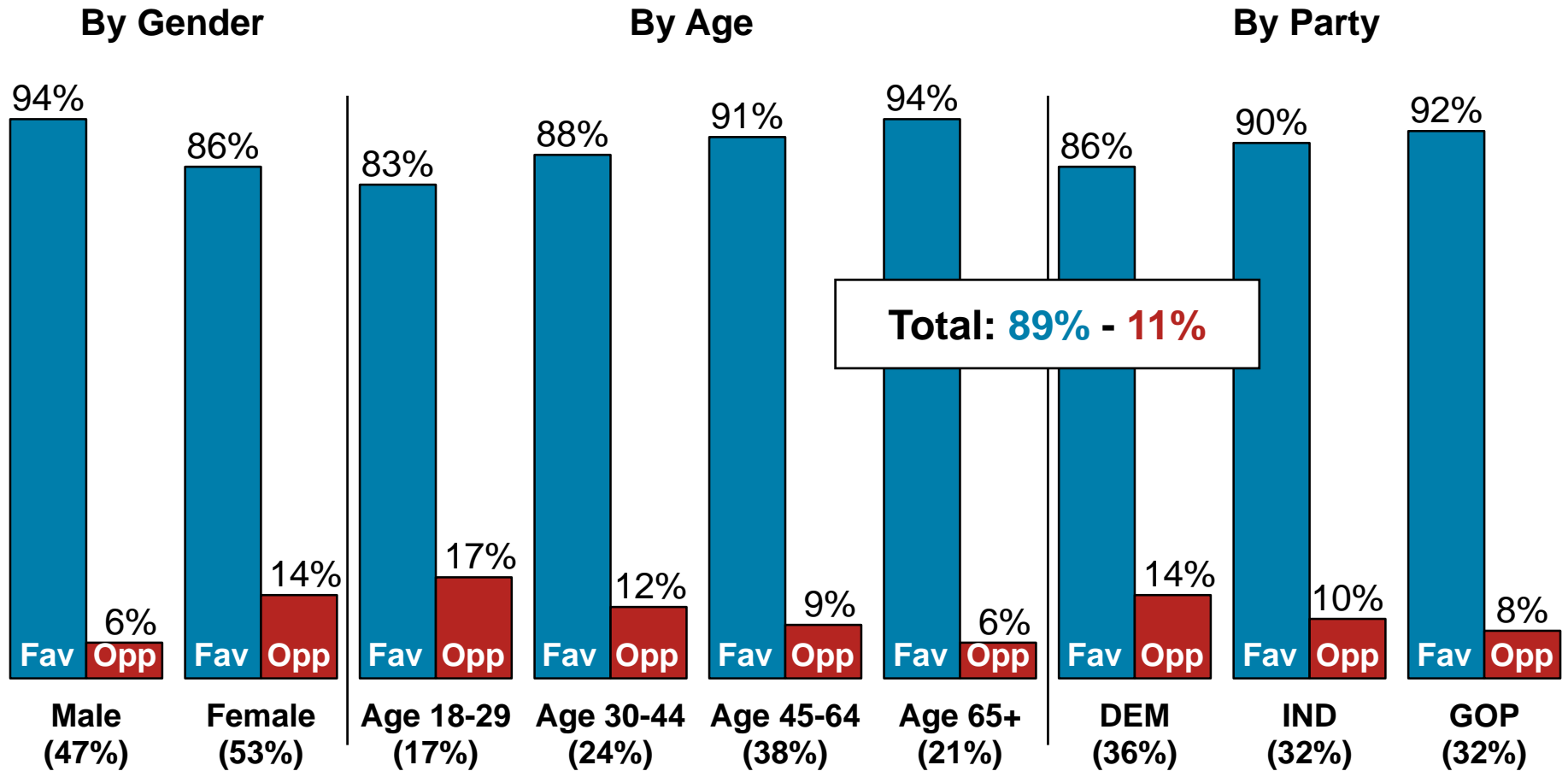
*LESS jobs in the U.S.*

*No impact on U.S. jobs*



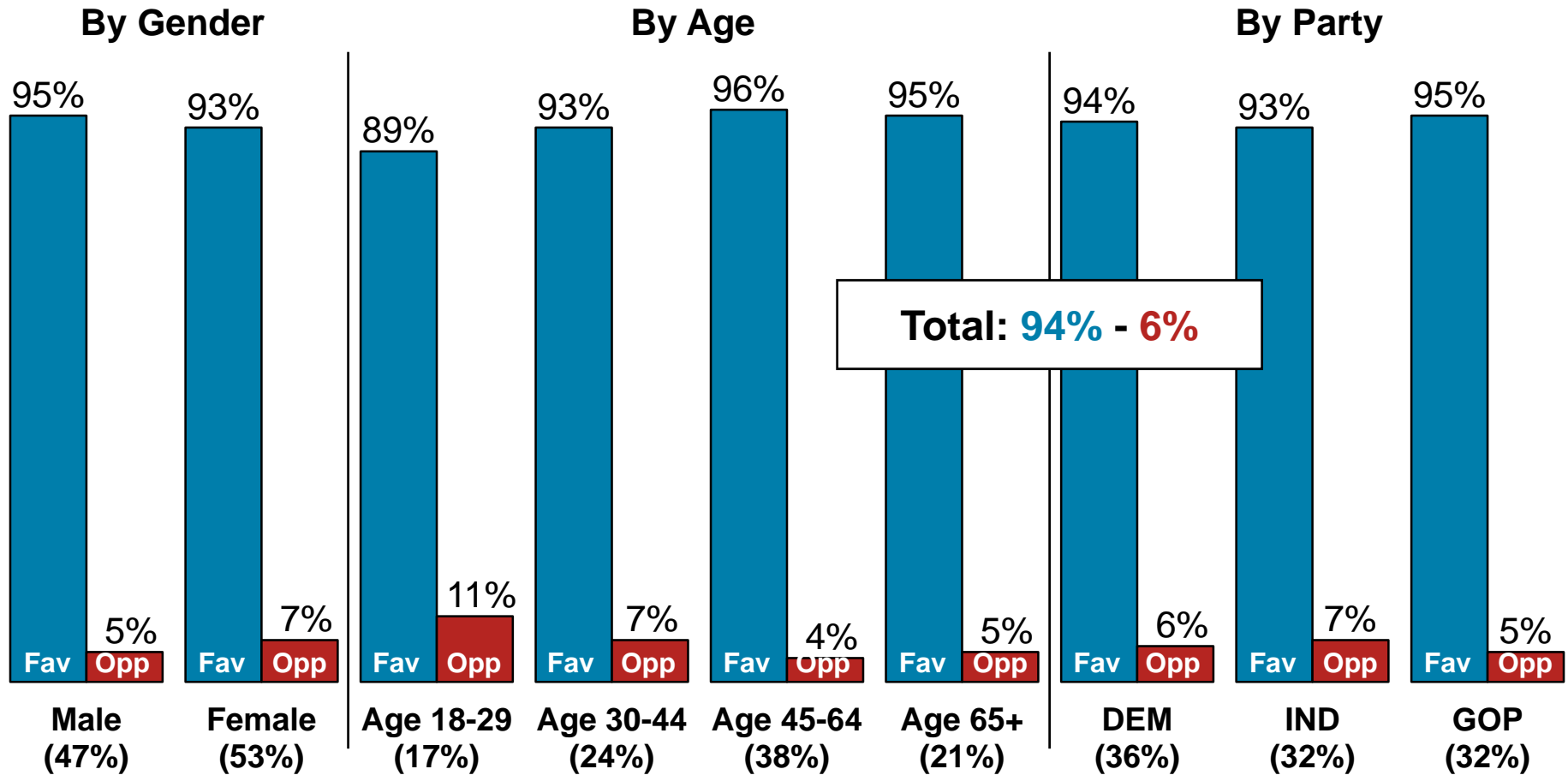
“Developing energy infrastructure to move and transport domestic sources of energy” is a universal win. Checks all the boxes for voters in its non-specificity.

*Please state whether you favor or oppose the following proposals. Investing in developing energy infrastructure to move and transport domestic sources of energy.*



Overwhelming support for smart national grid. Sounds like forward-looking, all-of-the above policy that is popular. (And, big infrastructure means someone has to build it = jobs).

*Please state whether you favor or oppose the following proposals. Building a smart electricity grid nationwide to improve the efficiency of energy production and delivery.*

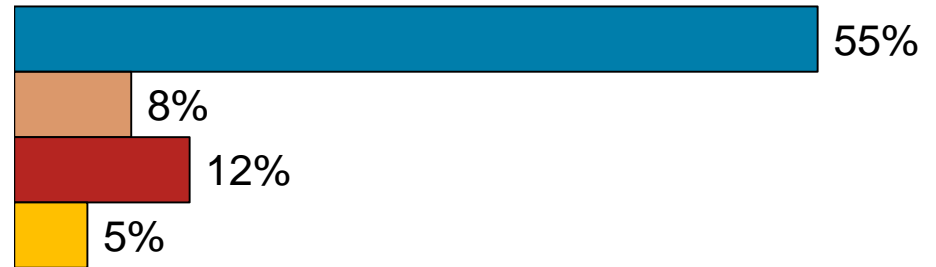


# Pipeline is safest, most cost effective, and most economically beneficial means to transport energy products.

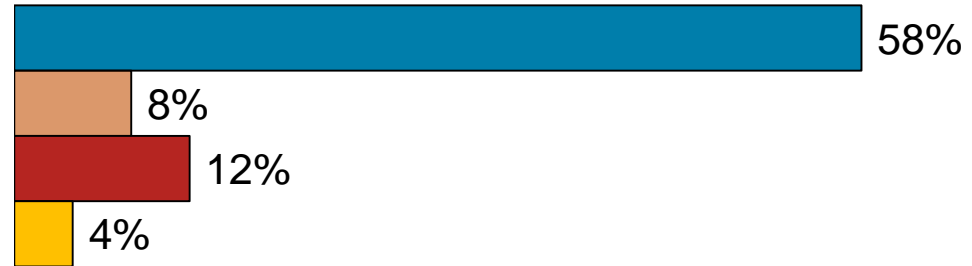
**Thinking about the transportation of oil, natural gas, and other energy products. Which of the following do you think of as the \_\_\_\_\_ way to transport these products?**

■ Pipeline ■ Oil Tanker ■ Train ■ Truck

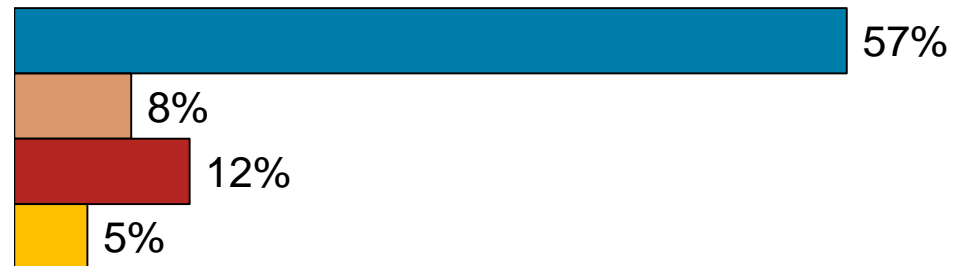
Thinking about the transportation of oil, natural gas, and other energy products. Which of the following do you think of as the **SAFEST** way to transport these products?



Thinking about the transportation of oil, natural gas, and other energy products. Which of the following do you think of as the **MOST COST EFFECTIVE** way to transport these products?

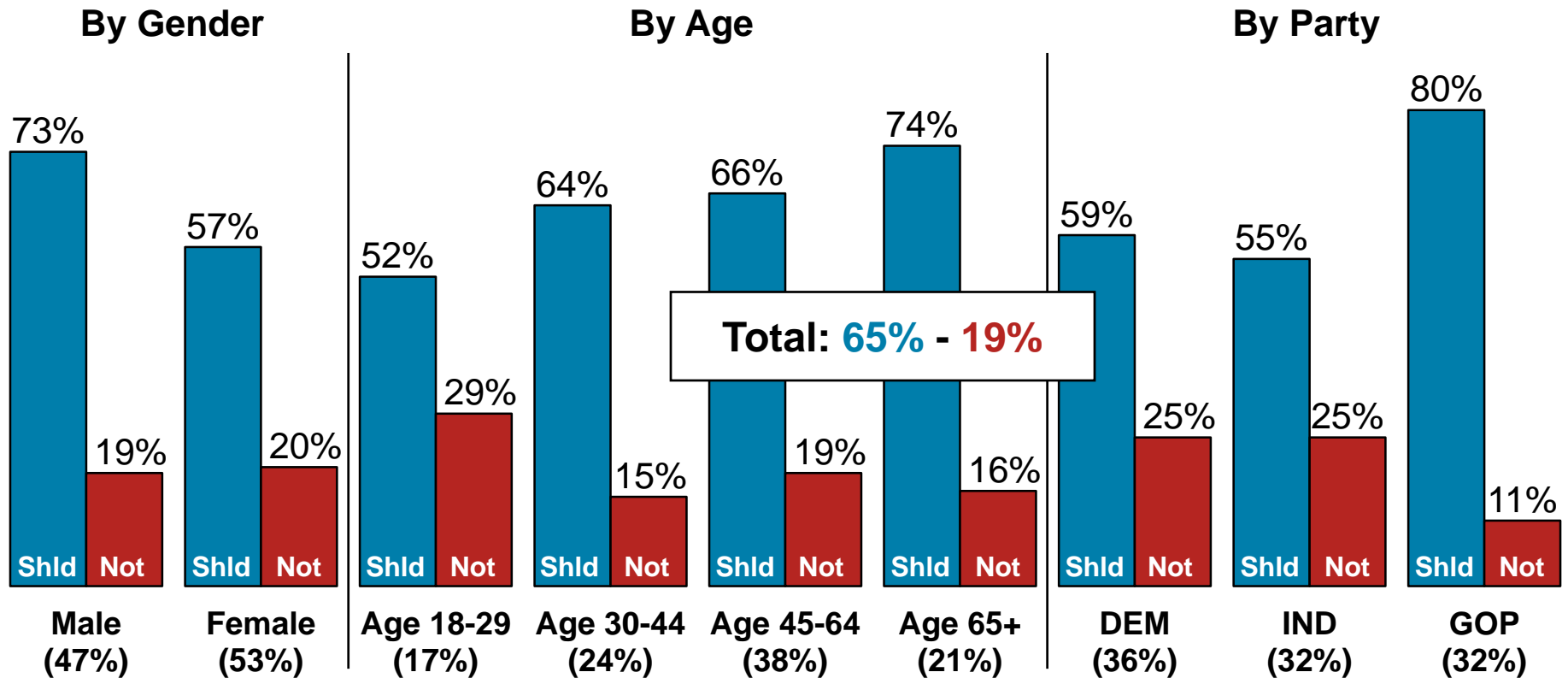


Thinking about the transportation of oil, natural gas, and other energy products. Which of the following do you think of as the **MOST ECONOMICALLY BENEFICIAL** way to transport these products?



Keystone a bit more complicated. Gender, generational, and partisan differences in support. Though, two-thirds support and majorities across party lines still very strong.

*As you may know, there is a proposal to build the Keystone XL pipeline that would carry oil from Canada to Texas. Do you think the United States government should or should not approve the building of this pipeline?*



# Regional definitions of the United States...

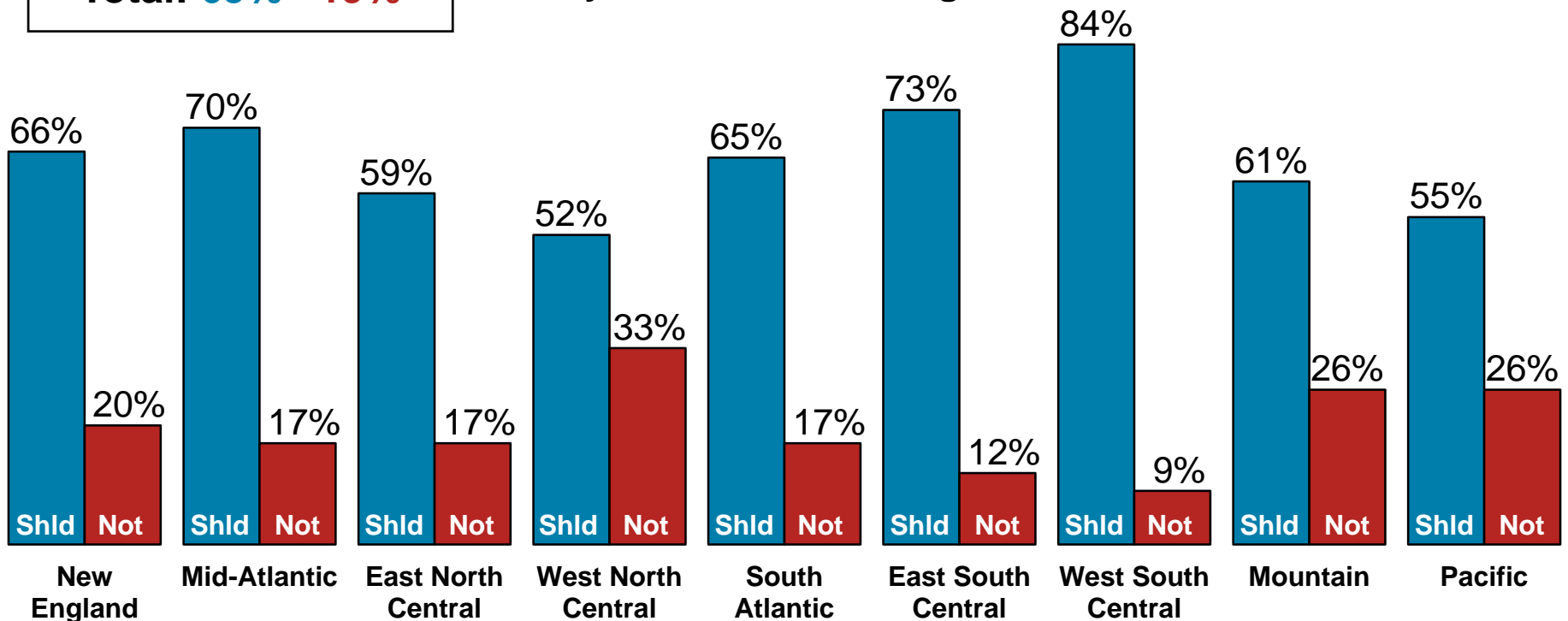


Keystone a bit more complicated. Gender, generational, and partisan differences in support. Though, two-thirds support and majorities across party lines still very strong.

*As you may know, there is a proposal to build the Keystone XL pipeline that would carry oil from Canada to Texas. Do you think the United States government should or should not approve the building of this pipeline?*

Total: 65% - 19%

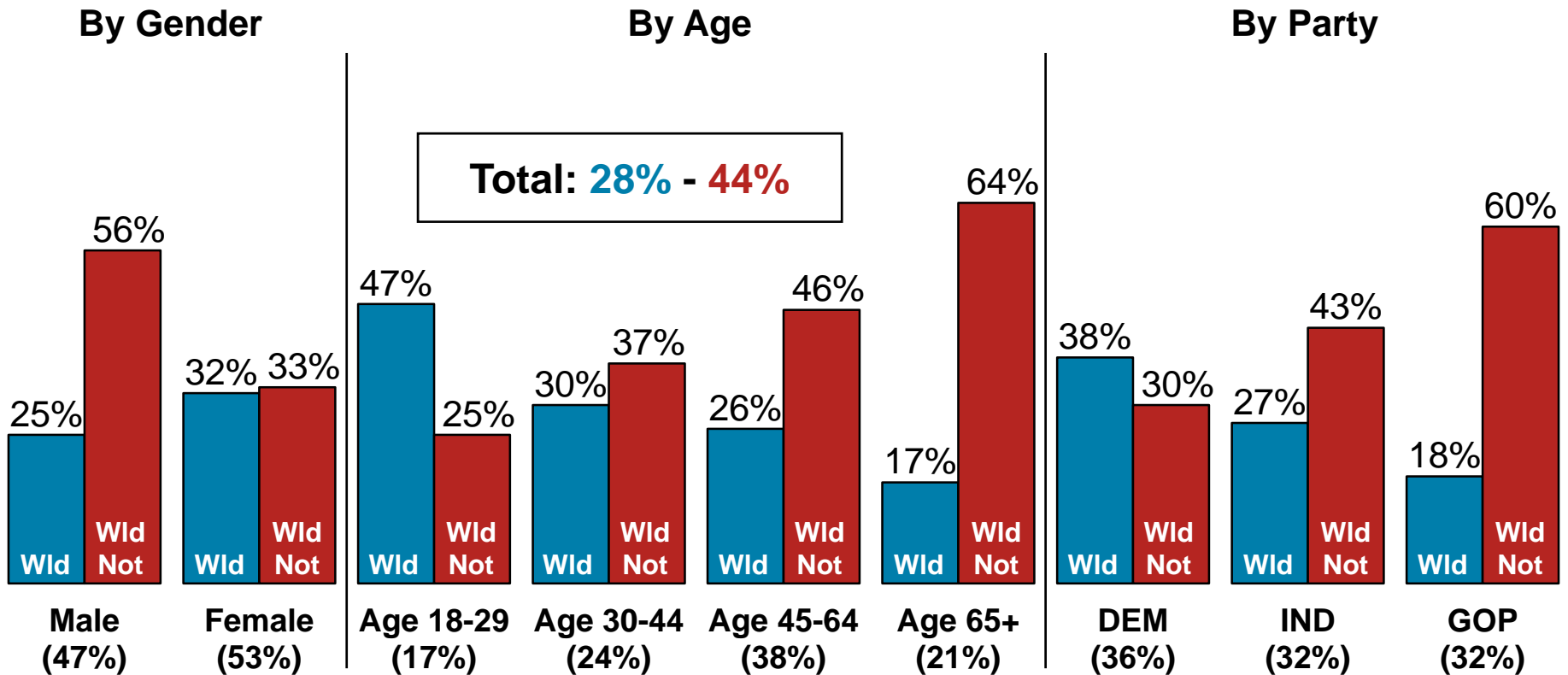
By 9-Point Census Region





Dramatic generational, gender, and partisan differences in discussion about environmental risk from KXL, some groups will need hand-holding.

*Do you think the Keystone XL pipeline from Canada to Texas would or would not... pose a significant risk to the environment?*





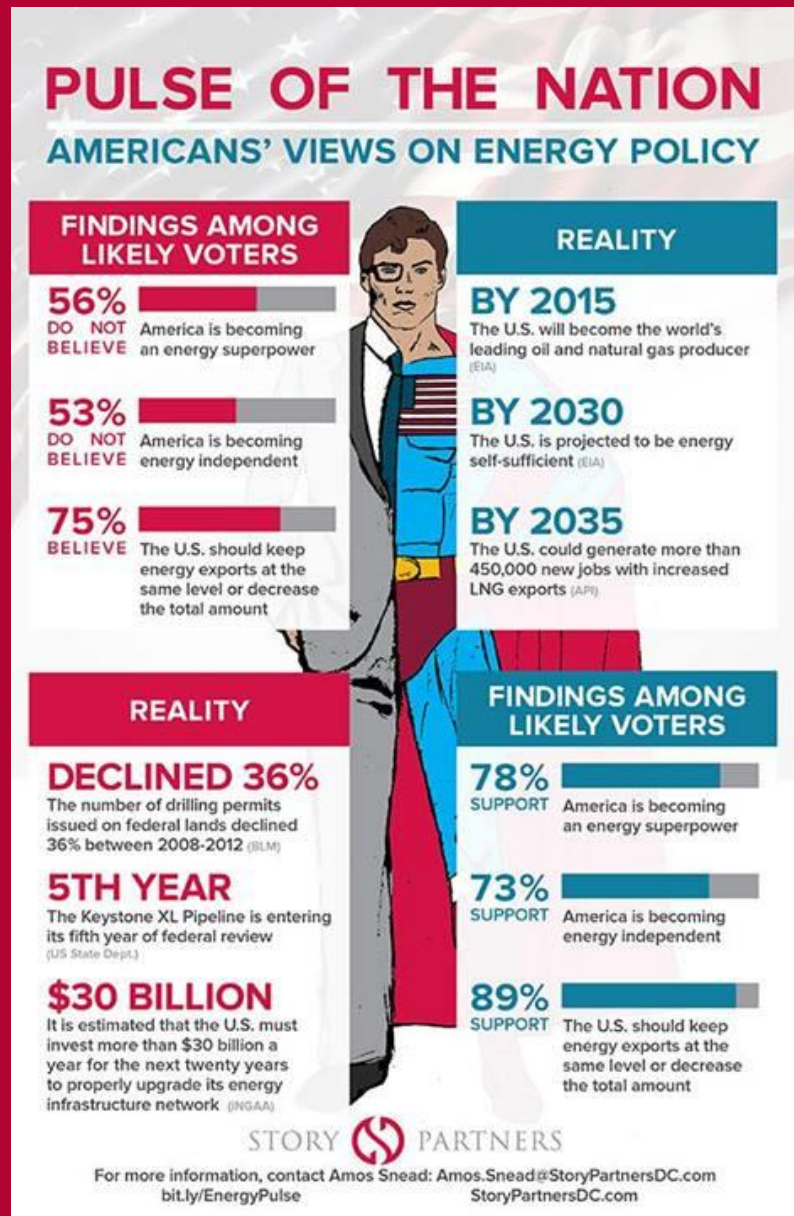
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# EXAMPLE OF CREATIVE MESSAGE DISSEMINATION



## CORE MESSAGES

- Infrastructure Investment –

Focus on infrastructure construction, describe individual projects, as well as the aggregate scale of the U.S. energy infrastructure network

- Jobs –

Again, focus on the jobs-impact of individual projects, as well as the total network

- Economic Value –

Reiterate MLP raise private capital, the vast majority of which is used for building and maintaining tangible infrastructure; there are residual, positive economic impacts generated by this investment (stronger overall economy, benefits average investors, creates jobs, etc.)

## SECONDARY MESSAGES

- MLPs Work as Intended –

Congress has narrowly defined who can organize as an MLP and the structure has worked as intended for over 25 years now – the application and success of MLPs is in the nation’s interest

- MLP Growth is tied to a Growing Energy Economy –

As the U.S. energy industry continues to reach new heights in terms of domestic production, MLPs are vital in building the infrastructure needed to connect newly discovered energy assets to consumers

- The United States needs to significantly increase its energy infrastructure investment –

Reiterate the fact that the U.S. needs to invest tens of billions each year - for the foreseeable future - in order to upgrade the current infrastructure network and build the new assets required to take advantage of growing energy production

## EMERGING MESSAGES (we still need to work on specific language)

- Safety – frame pipelines as being safe in the context of what is happening with other forms of energy transportation (i.e. rail and truck)
- Energy Exports – exports (oil and natural gas) is expected to be a dominant policy issue, we need to frame how MLP companies are working to build the required infrastructure in key export areas, while navigate local and national opposition
- Efficiency – reiterate how MLPs are used for a wide variety of energy resources and how those resources are integral to powering our economy and key sectors (i.e. manufacturing, chemicals, etc.)

## WHEN IN DOUBT – Hit them with the #'s!

Impact data points - Miles of pipeline, market value, investment projections, job growth, investor demographics, etc.

- Overall, MLPs are still largely covered by investor and trade press
- However, we absolutely see MLP coverage in mainstream news and business press
- From a policy perspective the coverage (and/or scrutiny) has been very much manageable and for the most part predictable
- We continue to spend a good deal of time educating the mainstream press about MLPs and their business model
- Related legislative activity can still drive coverage –
  - At the moment, tax reform is not generating a lot of news
  - The MLP Parity Act can still draw attention
  - The IRS/PLRs have generated attention to MLPs this year
- “MLP success” (market growth, expanded MLPs applications, new IPOs, etc.) is now the main driver of mainstream news coverage

- **Best case scenario for a story –**

“The growth we are seeing the MLP market is directly tied to the growth we are seeing in the U.S. energy economy and need for greater energy infrastructure investment”.

- **Worst case scenario for a story –**

“(Energy) companies have found a tax loophole that allows them to avoid paying corporate taxes, even while they enjoy record profitability”.

- **Our objective for earned media –**

- Ensure that stories are factual
- Insert our messages and a good quote
- Ensure there is proper context



- Continue to provide strategic communications counsel and positively frame MLPs (and the business model) for targeted audiences
- Monitoring of media and legislative environments (and where they intersect)
- Engage reporters and answer media inquiries (WSJ, Bloomberg, NYT, Investor's Business Daily, Reuters, BNA, Investor's Media, Energy Daily, etc.)
- Draft and secure editorial opportunities (National Journal, Roll Call, The Hill, Energy Collective, Fuel Fix, Midstream Business Magazine, etc.)
- Drafting of statements, responses, talking points, messaging documents, etc.
- Facilitate third-party outreach (IPAA, API, AOPL, ANGA, US Chamber, and appropriate Capitol Hill Communications staff, etc.)
- Draft and design collateral materials for advocacy efforts

# REVIEW OF PUBLIC AFFAIRS ACTIVITIES

ANDREW FIMKA

- Create state-specific collateral pieces that quantify our MLP presence
- Develop a series of info-graphics and/or short video “primers” that can be shared with the media and policy stakeholders
- Execute a rebranding strategy for NAPTP – reimagining both the association’s traditional identity, as well as its digital presence

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## Q & A

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