Roy Cooper, Governor Erik A. Hooks, Secretary Michael A. Sprayberry, Executive Director

HOMELAND SECURITY SECTION Colonial Pipeline Fuel Disruption Situational Report #2 12 May 2021 1730hrs

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<u>Situation Overview:</u> (U//FOUO) On May 7, 2021, the Colonial Pipeline Company (CPC) learned it was the victim of a cybersecurity attack and it has since determined that the incident involved the Darkside ransomware group. After learning of the attack, the CPC proactively took certain systems offline to contain the threat. These actions temporarily halted all pipeline operations and affected some of its IT systems. The threat group who caused CPC to shut down on Friday May 7, 2021, began their attack against the company approximately one day prior, stealing a large amount of data before encrypting computers with ransomware and demanding payment.

Significant Updates as of 12 May 2021 1730:

- CPC released a media statement at 1710 (5:10PM) announcing the initiation of the restart of pipeline operations today. https://www.colpipe.com/news/press-releases/media-statement-colonial-pipeline-system-disruption
- There will be lag time between the CPC restart of pipeline operations and increases in fuel availability for the general public. Fuel is available at points along the pipeline but travels through the pipeline at 5 miles per hour and will take time to be received and distributed. Gasoline takes approximately two weeks to travel from the Gulf Coast to New York.
- The Federal Motor Carrier Safety Administration issued a regional emergency declaration for 18 states to keep fuel supply lines open.
- Reports of increased movement from the White House, US DOT and EPA in regards to waivers. The legal team is working to determine more information on the impacts to North Carolina.
- Line 4, which runs from Greensboro to Maryland, is currently operating under manual control for a limited period of time while existing inventory is available. CPC states some smaller lateral lines between terminals and delivery points are now operational; it is unknown if these lines feed into North Carolina.

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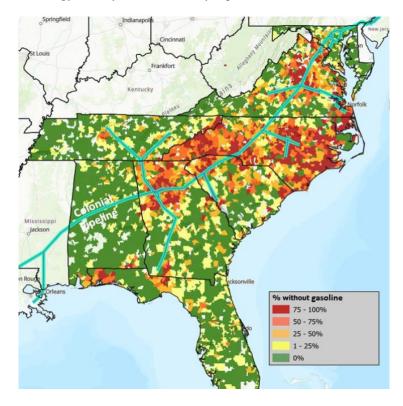
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- CPC reports movement of approximately 1M barrels of product to various locations up the Eastern
 Coastline to include Greensboro, North Carolina. Other states are reporting increased volume at
 terminals. As product becomes increasingly available, security and traffic flow at terminal locations
 may be a consideration.
- Reporting suggests sporadic outages throughout the State with retail fueling stations using unbranded distributors experiencing greater impact.
- As of 12 May, 2021 63 Local Governments have reported fuel shortages within their areas, with the majority of outages being reported from the Eastern and Western portions of North Carolina.
- Reporting shows at least three areas have declared a State of Emergency in response to the effects of the CPC fuel disruption: The Eastern Band of Cherokee Indians, Wayne County, and Pender County.
- Per GasBuddy U.S. gasoline demand is up 14.3% from last week and the national average is \$3/gallon which is the highest since October 2014
- GasBuddy is reporting that 71% of gas stations in charlotte and 72% of stations in Raleigh are without gas.

Percent of Gas Stations without Gasoline by Zip Code (10:00AM EDT May 12, 2021) as reported via the Department of Energy's analysis of GasBuddy reported data



• **CISA & FBI Joint Cybersecurity Advisory**: CISA and FBI urge Critical Infrastructure (CI) asset owners and operators to adopt a heightened state of awareness and implement the recommendations listed in the Mitigations section of their <u>Joint Cybersecurity Advisory</u>.