

PROTECTING THE COMMON WATERS OF THE GREAT LAKES BASIN THROUGH PUBLIC TRUST SOLUTIONS

EXECUTIVE DIRECTOR Liz Kirkwood

PRESIDENT & FOUNDER Jim Olson

## BOARD OF DIRECTORS

Gary Appel Tom Baird Ross Biederman Ted Curran Mike Dettmer, Chair Katie Horvath Emma Lui Renee Huckle Mittelstaedt Sarah Naperala Eric Olson, Vice Chair Bob Otwell Skip Pruss Royce Ragland Keith Schneider Rich Vander Veen Emily Wurth

153 ½ East Front Street Suite 203 C Traverse City, MI 49684

231.944.1568

The Honorable Rick Snyder Office of the Governor P.O. Box 30013 Lansing, Michigan 48909

The Honorable Attorney General Bill Schuette G. Mennen Williams Building, 7th Floor 525 West Ottawa Street P.O. Box 30212 Lansing, Michigan 48909

Mr. Dan Wyant Director, Michigan Department of Environmental Quality 525 West Allegan Street P.O. Box 30473 Lansing, Michigan 48909

Mr. Keith Creagh Director, Michigan Department of Natural Resources Executive Division P.O. Box 30028 Lansing, MI 48909

## **Re:** FLOW's Scientific and Legal Policy Comments on the Michigan Petroleum Pipeline Task Force Report and Recommended Immediate Actions to Eliminate Risk of High Magnitude of Harm from Transport of Oil through Line 5, Straits of Mackinac

Dear Governor Snyder, Attorney General Schuette, Director Wyant, and Director Creagh:

FLOW's science and legal advisory team is delighted to submit our scientific and legal report, evaluating the Michigan Petroleum Pipeline Task Force's July 14 Report ("Task Force Report") (A copy of the FLOW report is enclosed for your review and use as public record). We have also submitted copies of our report to the newly created Michigan Pipeline Safety Advisory Board and the Michigan Public Service Commission for their review and use.

The purpose of our report is to supplement and assist the State of Michigan in implementing the findings and recommendations of the Task Force Report related to the Straits Pipelines or "Line 5." Based on scientific findings of imminent risk, our report recommends that the State take specific actions, including the alternatives and risk assessments *and* immediate interim measures to reduce or eliminate the risk of high or catastrophic harm to the Straits of Mackinac and northern Lake Michigan and Lake Huron.

All of you have been involved extensively with establishing or leading the Task Force in reviewing pipeline safety, health, and environmental issues in

September 21, 2015

Michigan, and issuing its findings and recommendations. Overall the Task Force Report sets forth a solid direction for addressing pipeline safety, health, and environmental issues in Michigan. FLOW thanks you for your level of commitment and work on this report, and for the recent establishment of the Pipeline Safety Advisory Board and the agreement (although temporary in nature) to clarify that Line 5 cannot be used to transport heavy tar sands oil from Line 5. However, the Task Force Report does not articulate any action or measures to implement its recommendations or address the immediate high risks and/or high or catastrophic nature of harm that would result from an oil release from Line 5 under the Straits. Further, the Task Force Report has not established any timetable for taking action on its recommendations.

FLOW reconvened its scientific and technical advisory and legal policy team to evaluate the Task Force Report, reviewed the available public record underlying the Task Force's review, and conducted additional research and investigations. Based on this evaluation, review and investigation, FLOW submits the enclosed report for the following purposes:

- (1) FLOW concludes that the current use of Line 5 for the transport of crude oil poses a high level of risk and imminent or high magnitude of unacceptable harm, and proposes a specific action plan with prudent interim measures to immediately lower the risk and eliminate this imminent harm; and
- (2) FLOW provides supplemental comments on certain findings in the Task Force Report and offers a number of additional recommendations.

Because of the high level of risk and serious harm associated with the transport of oil in Line 5 under the Straits of Mackinac, the FLOW advisory team is of the opinion that there are several interim measures that should be taken as expeditiously as possible to lower the risk of unacceptable harm. In addition, the advisory team has concluded that the Attorney General, Department of Environmental Quality ("DEQ"), and Department of Natural Resources ("DNR") should take steps as soon as reasonably possible to implement these actions, as well as enforce legal obligations concerning Line 5, that will lead to a reduction and eventual removal of any risk of unacceptable and catastrophic harms inherent in the transport of crude oil in Line 5 under the Straits of Mackinac.

Further, FLOW's advisory team believes that based on the Task Force Report and the advisory team's further evaluation, the most important actions to be taken and completed are: (1) the independents expert alternatives assessment study; (2) the independent experts "worst-case" scenario study; (3) and an independent expert risk assessment and insurance or financial security provisions that provide for emergency response capability to address the high level of risk and worst case scenario; and (4) pending the completion of these actions, the imposition of immediate interim measures that will reduce the risk of unacceptable harms and damage from a high level of risk to a lower level of risk and/or eliminate this unacceptable harm, including a temporary cessation of the transport of crude oil through the Straits segment.

Natural gas liquids for propane, which are also transported in Line 5, would continue to be transported through Line 5 to its transfer point in the Upper Peninsula or locations in the Lower Peninsula. Use of Line 5 from natural gas or crude oil sources in the Lower Peninsula would not be affected. Moreover, there are alternative pipeline routes and capacities for transporting crude oil to Sarnia or other points in Canada and the U.S. The primary purpose and use of Line 5 under the Straits is the transport crude oil from Canada to Canada, at Sarnia, Ontario. While a single refinery in Michigan receives crude oil from Enbridge, it can continue to receive crude oil from other pipelines across southern Michigan or other routes and sources.

As our State's top leading official and departments, and as trustees of the Great Lakes, we hope that the FLOW report will assist you in taking immediate steps to eliminate any risk of catastrophic harms and protect the Straits and other navigable waters of Michigan, including related aquatic resources and ecosystems, and the public and private uses that depend on them.

FLOW appreciates the opportunity to submit this report, and stands by ready and willing to meet, respond to questions, or assist in any way that may be helpful to these tasks.

Sincerely yours,

Janos

James M. Olson President and Founder

Jing Kinhund

Elizabeth Kirkwood Executive Director

Encls: FLOW Report (Note: PDF Appendices transmitted electronically)

cc: Michigan Public Service Commission (Note: PDF FLOW Report and Appendices transmitted electronically)