



MICHIGAN OIL AND GAS ASSOCIATION

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April 6, 2020

Dept. of Environment Great Lakes and Energy
Attn: James Clift, Deputy Director
PO Box 30473
Lansing, MI 48909-7973

Dear Deputy Director Clift,

The Michigan Oil and Gas Association (MOGA) has over 650 member companies, the majority of which are small, family owned, Michigan-based companies that produce oil in northern Michigan. These companies employ over 47,000 Michigan residents and rely on a secure and operational Line 5 to transport our product to market in the safest, most efficient and affordable way possible with minimal impact to communities, roadways, and the environment. Michigan's home state energy production provides secure, affordable, and reliable energy to drive our state's economy. That energy – gasoline, diesel, home heating propane, and the thousands of petroleum products derived from these resources, need to reach communities across the state.

The Governor directed the U.P. Energy Task Force to consider all available information and make recommendations that ensure the U.P.'s energy needs are met in a manner that is reliable, affordable, and environmentally sound. The scientific analysis, reports, public meetings, comments, and resulting discussions have reiterated the importance of the tunnel solution. We appreciate the time and care that has been placed on fair, measured, fact-based decision making. This issue transcends party and politics. This is about protecting our Great Lakes, keeping people safe and warm, and promoting Michigan business. It's about getting to a solution and making it happen, sooner than later.

While the tunnel is constructed, the safe and continued operation of the existing Line 5 pipeline, is essential to our members, who depend on consistent access to the pipeline to ship our product. Small businesses like ours need the economics of a pipeline that ships larger quantities of product to keep our small businesses that operate older, less profitable oil production in business. Michigan production, and therefore Michigan residents, will suffer disproportionality from reduced options and higher cost to get petroleum products if the Straits Pipeline is unnecessarily decommissioned.

Michigan's oil and gas producers depend on the reliable and safe operation of this piece of critical energy infrastructure to move 14,000 barrels per day (80 million barrels since it entered service) of our locally produced crude oil to Great Lakes-area refineries in Detroit, Sarnia, and Toledo, who then process it into every day products we use here in our state. The light crude transported on Line 5 feeds Michigan and the surrounding economies with; enough gas to fill 1 million passenger cars and trucks a day, enough diesel to fill 6,000 semi-trailers a day, enough jet fuel to fly 883 commercial planes per day, and enough propane to heat 300,000 homes per year.

Without well-regulated, well managed pipelines, the only alternatives for moving our energy will be thousands of tanker trucks tearing up our roads, hundreds of rail cars traveling through our communities every day, or fuel barges returning to the waters of our Great Lakes – the very condition Line 5 was built to address. These are not options that our industry supports – for economic reasons, but also because of the disruption and safety risks they present to the very communities in which we live, own businesses and respect. No other mode of transportation – road, rail, or ship – compares when it comes to safety, preference or affordability.

The tunnel will provide an incredible economic boost for Northern Michigan, employ hundreds of skilled trade workers, and ensure our state’s vital, safe and well-maintained transportation infrastructure will continue to support our business needs. We strongly support engaging Michigan’s labor pool in the project, and applaud the selection of the Great Lakes Tunnel Constructors, a partnership between Jay Dee Contractors Inc. of Livonia, Michigan, and the U.S. affiliate of Japan-based Obayashi Corp., to build the tunnel.

Given the importance of Line 5 to Michigan’s communities, our economy, and the survival of our businesses, we are glad to see that the tunnel project is on schedule and look forward to seeing construction underway as early as the end of 2021.

Sincerely,



Brian J. Dorr
Chairman, Michigan Oil and Gas Association
Balidor Oil and Gas LLC



Jennifer L. Clark
Deputy Director, Michigan Oil and Gas Association