



**MICHIGAN
LEAGUE OF
CONSERVATION
VOTERS**

Date: June 24, 2020

To: House Committee on Natural Resources and Outdoor Recreation

From: Nick Occhipinti, Michigan League of Conservation Voters, Government Affairs Director

Re: Oppose House Resolution 282

Chairman Howell, Minority Vice Chair Sowerby, Honorable Members of the Committee. Thank you for the opportunity to testify today.

Line 5 represents an immediate threat to the Great Lakes. We don't have the luxury to wait for a tunnel to be built.

On Thursday, June 18, 2020, Enbridge informed the State of Michigan that they had discovered new evidence of substantial damage to the Line 5 dual pipelines infrastructure. According to Enbridge, there was damage to the coating of both pipelines and the anchor supports affixed to the east leg of the dual pipelines was jarred loose. Enbridge stated that it does not presently know what caused this damage to the Line 5 dual pipelines. It is, however, clear that the pipelines were impacted by a physical force powerful enough to dislodge a solid steel anchor support and damage the protective coating of the pipelines themselves.

In April 2018, the pipelines were struck by an anchor. Enbridge did not detect the anchor strike and damage to the coatings on both pipelines until notified by a third party.

In May 2020, Enbridge belatedly discovered additional damage to pipeline coating, but apparently does not know when and how it occurred.

The earliest the tunnel could be completed according to Enbridge is 2024. Repeated blunt force strikes, on top of the fact that the pipeline has already aged well beyond its engineered lifetime, demonstrate that it is simply not safe to allow Line 5 to continue operation while the tunnel is being built, even if we are to accept this very optimistic projection of its completion date.

Enbridge is not a transparent and cooperative corporate citizen. They have proven time and again to the public and the state of Michigan that they can't be trusted to build the tunnel.

Of course, we cannot forget this is the same company that was responsible for the Kalamazoo River oil spill in 2010, the largest inland oil spill in the history of our country. We also know that over the course of Line 5's operation, more than 1 million gallons of oil have spilled across the length of the pipeline, but it's worth setting their long term track record aside and examining their recent behavior.

Most recently, despite a legal obligation to do so under their 1953 easement and Agreement II with the Snyder Administration, Enbridge failed to provide the state with the underlying data or explanation of how damage occurred and what measures will be taken to prevent a recurrence. That damage, previously described, shut the pipeline down for 4 days over memorial day weekend. Enbridge then

unilaterally reactivated the West leg of the dual pipelines on Saturday, June 20, 2020 without consulting the State, and prior to providing any of the information requested.

In 2017, Enbridge belatedly disclosed some 48 areas of damaged pipeline coating where bare metal was exposed, despite having identified some of this damage as early as 2014.

Enbridge has a long history of recalcitrance, and disclosures that are made days, weeks, months or even years after incidence have occurred.

Building a pipeline under the Straits of Mackinac is a massive endeavor and will require feats of engineering and geological know-how. Enbridge has not demonstrated that they can safely pull off such a feat in a manner that serves the public interest and protects our mighty great lakes.

Financial Assurance: Enbridge is structured to stick Michiganders with the bill in the event of a crisis

Enbridge, Inc. is not contractually obligated to stand behind the financial assurance agreements of their subsidiaries.

According to the American Risk Management Resources Network, LLC, upon analysis of the financial resources of Enbridge, Inc. in August of 2019, Enbridge, Inc. does currently have the capability to fund up to \$1.9 billion for potential damages caused by a Line 5 spill. However, not only is this not sufficient to cover worst case scenario spills, more importantly, Enbridge Inc. is not a signatory to any of the Snyder Agreements with the State nor the 1953 easement. Mr. Johnston, Chief Financial Officer of Enbridge, testified in a Minnesota PUC hearing that Enbridge, Inc. is not contractually obligated to stand behind the financial assurance agreements of a subsidiary.

Conclusion: Line 5 is an immediate threat and Michiganders do not have the luxury to wait for Enbridge to build a tunnel. The company's track record continues to demonstrate they are an uncooperative and opaque corporate actor. Their unwillingness to stand financially behind their own pipeline while the tunnel is being built speaks volumes about their approach. These are three of the main reasons, among others, why Michigan LCV opposes House Resolution 282.

Thank you for your time and consideration

Nicholas Occhipinti