

Good morning,

As the cool & wet spring continues unabated in Lockdownland, Canada (aka Ontario), we turn our attention south to a controversial decision by the Governor of Michigan, Gretchen Whitmer, that has potentially massive negative implications for Ontario & Quebec residents' ability to obtain fuel for their vehicles, propane to heat homes and for farmers to dry grains, jet fuel for airports like Pearson, and other vital petrochemicals. We find it incredible that only a few days prior to the Governor Whitmer's revocation of Enbridge's permit to operate line 5 in her state, is much of the media waking up to this (what's even more incredulous is hearing Canada's Ambassador to the USA say out loud on TV yesterday that Line 5 shutting down "would not present a threat to Canada's energy security." What?). Effective May 13th, in Gov. Whitmer's eyes, Enbridge would be breaking state law were they to continue flowing fluids through their line 5 pipeline, under the Straits of Mackinaw, a 7km stretch of water that joins Lakes Michigan and Huron.

Why Does This Matter?

"...the possibility of a shutdown is increasing anxiety at the end of the line. It would mean refineries fed by Line 5 would receive about 45 per cent less product from Enbridge than they currently demand. That oil is used to produce gasoline, diesel, jet fuel, petrochemicals and diesel. Line 5 also supplies about half of all of Michigan's propane demand. "People are nervous," Archer said. "There is no viable alternative for the delivery of all the oil we need to keep these refineries open and many of them have openly stated they'll shut their doors."

Think about that for a second. A *45% OVERNIGHT DECREASE IN OIL & PROPANE SUPPLIES TO ONTARIO AND QUEBEC*. We should caveat the disaster scenario of Ontario & Quebec overnight losing half of their gasoline, diesel and propane supplies and 100% of jet fuel supplies to Toronto's Pearson Intl Airport, by acknowledging that few people believe this immediate shutdown order will be adhered to. Enbridge has challenged the State of

Michigan's position in Federal court, and a mediator has been appointed. This will likely drag on for months to come, but the distinct possibility exists that in a future month, that we would be pulling up to gas stations and seeing either scenario A, gas prices 30-50% higher than current elevated prices, or scenario B, a sign that reads "sorry, no fuel currently available." This is why Line 5 matters. It matters A LOT.

It also happens to be crucial energy infrastructure in Gov. Whitmer's own state, as well as Ohio and Wisconsin, all 3 of which draw significant amounts of their own supply of the above crucial products through line 5. Gov. Whitmer has for 6 months ignored requests from Canadian officials ranging from Jason Kenney to the Mayor of Sarnia (whom you'll see interviewed herein) to Natural Resources Minister Seamus O'Regan. The latter is on record as saying the continued operation of Line 5 is "non-negotiable." To date though, Gov. Whitmer is sticking to her campaign promise to shut it all down, despite nearly 70 years of perfect performance, not a single drop of oil spilled, and Enbridge's \$500 million commitment to build a safety tunnel around the pipeline, to contain any remote possibility of a spill. That tunnel will be done by 2024, but it seems as though Gov Whitmer is unwilling to wait that long out of her fear of a disaster in the meantime.

To date, President Biden has not weighed in on this issue. There is a federal treaty that was signed in 1977 that protects crucial energy infrastructure like Line 5 from arbitrary decisions like this one, which was signed by none other than (at the time) Senator Joe Biden (as well as Pierre Elliott Trudeau on Canada's side). The politics of this one are certainly good theatre.

All of this is with the noble intent of preventing the "ticking time bomb" (Gov Whitmer's words) of a spill and protecting Michigan's great lakes environment. I suspect however that Gov. Whitmer's voters who care deeply about the environment would not appreciate the hundreds of trucks, trains and barges that would come streaming through their towns and ports polluting their air with emissions and noise, not to mention cancelled flights on Memorial Day weekend due to lack of jet fuel, or empty gas pumps preventing family trips to the lake.

“The concern highlights the amount of money on the line. Enbridge has stated if Line 5 were to be shut, it would take hundreds of train cars, transport trucks and barges to move product every day. Those transportation alternatives would result in increased environmental impacts, as well as squeezing available supply, increasing prices. Those expenses would be borne by the end consumer.”

The contents Line 5 carries every day are crucial to the functioning of the modern economies of several US states and even more so for Canada’s 2 most populous provinces. Hopefully politics will be set aside and a more nuanced approach will be agreed to. The alternative would be nothing short of a disaster.

Please share broadly with friends and family, this issue has simply not received enough media coverage, nor proportional political attention in Canada. It would affect us all deeply. I for one am going to fill up a couple extra propane tanks this weekend for my backyard’s spring needs. You may want to do the same, *JUST IN CASE*.

Link to BNN Bloomberg article: <https://www.bnnbloomberg.ca/people-are-nervous-workers-businesses-react-to-impending-line-5-deadline-1.1600594>

Have a great weekend.

-Penned by Trevor Johnson

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