

Gov. Snyder signs legislation to protect the Great Lakes, provide energy security, create jobs

Also appoints Geno Alessandrini, Tony England, Michael Zimmer to new Mackinac Straits Corridor Authority

LANSING -- Legislation signed today by Gov. Rick Snyder will protect the Great Lakes, provide energy security for Michigan residents, and create better infrastructure connections between the state's peninsulas.

The new Mackinac Straits Corridor Authority (MSCA) will oversee construction and operation of a tunnel in bedrock beneath the waters of the Straits of Mackinac. The tunnel will house a replacement segment for the Line 5 petroleum pipelines that currently sit on the bottom of the Straits and will accommodate other utilities to improve infrastructure connections between the peninsulas. Senate Bill 1197, sponsored by Sen. Tom Casperson, is now Public Act 359 of 2018.

"This new law is the result of a tremendous effort by Sen. Casperson, my partners in the House and Senate leadership, and a diverse group of stakeholders, including business leaders and union representatives," Snyder said. "We all understand the importance of bringing certainty to removing Line 5 from the waters in the Straits of Mackinac. By working together, they helped garner bipartisan support to ensure we are protecting the Great Lakes while securing better energy infrastructure for Michigan."

In addition, Gov. Snyder today appointed three members of the MSCA. Per the new statute, no more than two members can be from the same political party.

The initial appointees to the MSCA are:

Geno Alessandrini, of Iron Mountain, is the business manager for the Michigan Laborers District Council where he is responsible for overseeing the affairs of over 13,000 construction workers in Michigan. He previously served as business manager for Laborers Local Union 1329 in Iron Mountain. Alessandrini attended the Harvard Trade Union Program and Harvard Law School. He will represent Democrats.

Anthony (Tony) England, of Ypsilanti, is the dean of the College of Engineering and Computer Science at the University of Michigan – Dearborn. England served as deputy chief of the Office of Geochemistry and Geophysics for the U.S. Geological Survey and as a senior scientist astronaut for NASA before becoming a professor at the University of Michigan. He holds a bachelor's degree in earth sciences, a master's degree in geology and geophysics, and a Ph.D. in geophysics from the Massachusetts Institute of Technology. He will represent Democrats.

Michael Zimmer, of Dimondale, serves as the cabinet director for Gov. Rick Snyder. Previously, Zimmer worked as director of the Michigan Department of Licensing and Regulatory Affairs. Zimmer earned his bachelor's degree from Michigan State University

and his law degree from George Washington University. He will be resigning his appointment to the Mackinac Bridge Authority (MBA) and will represent Republicans on the MSCA.

Members will serve six-year terms expiring Dec. 12, 2024. They are subject to the advice and consent of the Senate. The chair will be chosen by the authority members.

“I want to thank the appointees for being willing to serve on this authority that will have the responsibility of overseeing this critically important piece of infrastructure for Michigan,” Snyder said. “They have the expertise and the qualifications necessary to serve the state well as the MSCA brings an end to concerns over Line 5 continuing to operate in the Straits of Mackinac.”

Under agreements already signed between the state and Enbridge Energy, the company will pay for 100 percent of design, construction, operation, and maintenance of the tunnel for the next 99 years. The company also will decommission the twin pipelines in the Straits once the tunnel is complete. The project is estimated to cost as much as \$500 million and will create good-paying jobs for workers in the professional trades and others while continuing to provide stable energy prices for Michiganders.

MSCA will own the tunnel after its construction and provide independent oversight throughout its life. The MSCA will be subject to the Open Meetings Act and the Freedom of Information Act.

The new law also creates a Straits Utility Fund to pay for the work of the MSCA, including independent experts to ensure construction and operation of the tunnel are done correctly. The MSCA, which will have administrative support from the Michigan Department of Transportation, will be separate and independent from the Mackinac Bridge Authority (MBA) and MDOT. The MSCA will provide reports at least annually to the MBA and the MDOT director on construction progress and utility leasing. The law requires the MSCA to enter into an agreement with Enbridge on the construction and operation of a Straits utility tunnel by Dec. 31, 2018, provided certain conditions are met.

The proposed new agreement must:

- Include a plan for recruiting, training, and using Michigan workers for the tunnel project;
- Allow for multiple utilities to use the tunnel;
- Provide that the tunnel is built to last and will contain potential oil spills in the Straits of Mackinac;
- Limit liability for the state, the authority, and members of the authority;
- Require that all necessary government approvals be obtained for the tunnel;
- Prohibit the use of eminent domain to acquire property for the project;
- Ensure the state bears no cost for design, construction, operation and maintenance of the tunnel;

- Ensure that any privately owned portion of the project – including the above-ground entrances and any utility lines within the tunnel – are subject to taxation; and
- Reimburse the MBA for any net loss of profit for leasing space for telecommunication lines.

Prior agreements between Enbridge and the state of Michigan remain in effect. Those agreements include:

- Replacing the portion of Line 5 that lies at the bottom of the St. Clair River near Port Huron with a new pipe in a tunnel beneath the river to protect drinking water supplies for a significant population in southeast Michigan.
- Instituting accelerated risk-reducing measures at 13 priority Line 5 water crossings, in addition to requiring actions at 68 other crossings as identified in a previous Enbridge report.
- Assuring the Straits pipeline is not operating when high waves would severely hamper response to a potential oil spill. Enbridge staff must be present at the Straits to shut down the line within 15 minutes – even if power is lost – when wave heights hit 6.5 feet for at least an hour. The state will provide a new radar system to supply better, real-time wave-height data at the Straits.
- Undertaking a study to evaluate and then install additional underwater technologies, including cameras, to better monitor the pipeline beneath the Straits of Mackinac.
- Evaluating and implementing measures to minimize the likelihood of an oil spill at other critical Line 5 water crossings in Michigan.
- Assuring that at least \$1.8 billion in financial assurance be provided by Enbridge to respond to a potential oil spill in the Straits or anywhere along Line 5 in Michigan.
- Paying for cameras to be installed at the Straits to support new regulations from the U.S. Coast Guard prohibiting ships in the area from dropping their anchors – one of the most serious threats to Line 5 and other utility lines on the bottom of the Straits.
- Prohibiting heavy crude oil from running through Line 5 and not increasing the volume or type of petroleum products that move through the line.

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