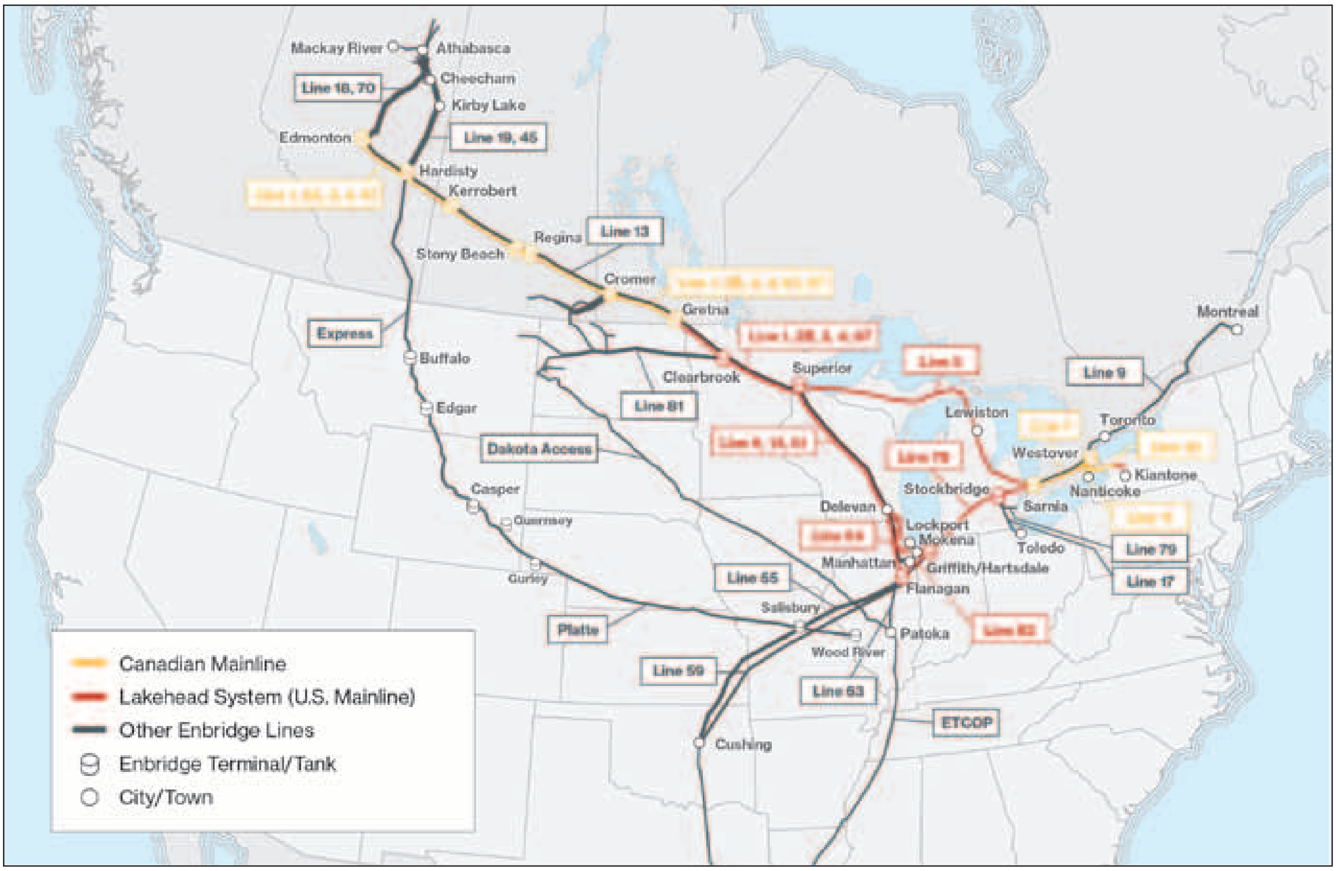
# Green Deal: No Pipelines, No Oil—Battle in the Great Lakes

by Robert Hux

May 2—Michigan Governor Gretchen Whitmer filed a court action last fall to shut down a 645-mile (1,038 km) pipeline, which, since 1953 has been bringing heavy crude oil from Alberta, Canada to many points in the Great Lakes region for refining and use. Her action goes beyond simply a wrongful attempt to block a proposed or unfinished pipeline like the Keystone XL, or the Atlantic Coast Pipeline in the eastern states. Whitmer is leading the charge to shut down Enbridge Line 5, which currently supplies oil to what remains of the industrial heartland of the U.S. and Canada both. Line 5 runs from Superior, Wisconsin, across the Upper and Lower Peninsulas of Michigan, and then to Sarnia, Ontario.

The pipeline owner, Enbridge Inc., is the largest oil and gas pipeline company in North America and has filed legal counter action against Michigan. Whitmer's suit had demanded the pipeline shut May 12, 2021. Ensuring that Enbridge No. 5 continues to operate "is non-negotiable," is what Prime Minister Justin Trudeau reportedly told President Biden when they spoke by phone earlier this year. But Biden's first action in office was to rescind the border permit for the Keystone XL pipeline, whose construction was already underway to convey heavy crude from Canada into the U.S. Trudeau accepted this decision as regrettable, but inevitable. Then at Biden's April 22-23 Leaders Summit on Cli-

**Mainline System of Enbridge Pipeline Routes and Terminals in Canada and the U.S.**




Enbridge

mate, Trudeau did not oppose the green theme that oil and gas must be phased out to "save the planet." The destructive implications of these policies are huge.

It is important to note that this attempted pipeline shutdown is happening at the same time that Enbridge is conducting significant rehabilitation of key pipeline routes along their Mainline System. Upstream of Line 5, construction is well underway to complete the 1,030-mile (1,657 km) Line 3 pipeline which connects Edmonton, Alberta to their storage terminal in Superior, Wisconsin. (See map). All but 337 miles of this have been completed, and this final section of Line 3 is on track to be finished by the end of this year. The whole upgrade is billed at Can$9.3 billion (US$7.30 billion). Replacing the old 34-inch diameter pipe with new slightly larger 36-inch pipe will restore Line 3 to its original capacity of 760,000 barrels per day (bpd) of light crude oil, nearly doubling its present throughput.

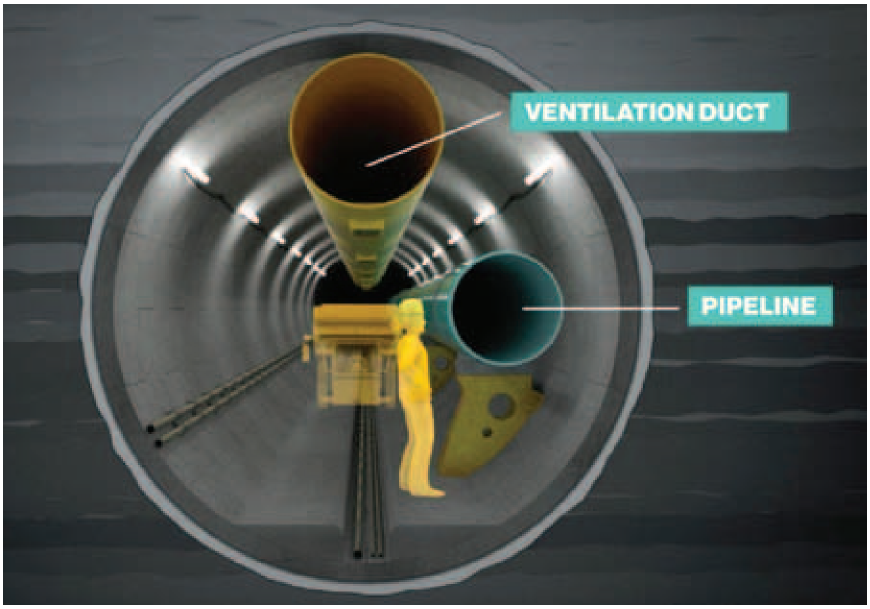

Enbridge

*Enbridge crew at the Gretna, Manitoba Terminal stands by the southern end of the Canada Line 3 Replacement pipeline.*

## Aiming at Oil and Gas

Gov. Whitmer's targeting the "Line 5" Great Lakes pipeline for shutdown should be seen in the largest context. Enbridge, headquartered in Calgary, Alberta, moves about 25% of the crude oil produced in North America, transports about 20% of the natural gas consumed in the U.S., and operates North America's third largest natural gas utility, by consumer count. The Enbridge Mainline system together with the Enbridge Express pipeline (see map) presently moves over 3.0 million bpd of a variety of crude oil types, including heavy crude oil, natural gas liquids, and refined petroleum products, across the Canada-U.S. border for delivery to storage tanks, refineries and petrochemical plants across both the U.S. and eastern Canada. Enbridge pipelines move about 65% of all U.S.-bound Canadian oil exports. Much of the rest is handled by the existing Keystone pipeline (591,000 bpd capacity) which originates in Hardisty, Alberta and extends to Steele City, Nebraska, and the Trans-Mountain pipeline (300,000 bpd capacity) which begins near Edmonton, Alberta and transports crude oil and refined products to destinations in British Columbia and Washington state. From Burnaby (Vancouver), British Columbia, crude oil can be loaded for export to California, the U.S. Gulf Coast, or for overseas export to Asia. In 2019, Canada exported 3.76 million bpd of crude oil, with 86% of the shipments by pipeline, 7% by rail and 7% by oil tanker. The destination for 97% of Canada's crude oil exports is the United States, including maritime shipments.

The significant thing to note is how closely the physical economies of the United States and Canada are intertwined. The U.S. became, in 2020, not only the world's leading oil producer, having also the largest oil refinery capacity in the world, but for the first time since 1949, a net oil exporting nation. However, over the last 20 years, it has become increasingly dependent upon Canada as a source for imports of the very heavy crude oil (bitumen) upon which many of its refineries, particularly those in the Midwest and Gulf Coast, have come to depend. In 2020, Canada's share of all U.S. imports of petroleum (all grades including crude oil) had reached 52%, but its share of U.S. imports of crude oil had risen even higher to 61%. (U.S. Energy Information Administration)



Enbridge

*Cross section of a potential alternative to Enbridge's Line 5 replacement pipeline: encasing it in a 4-mile tunnel under the Straits of Mackinac.*

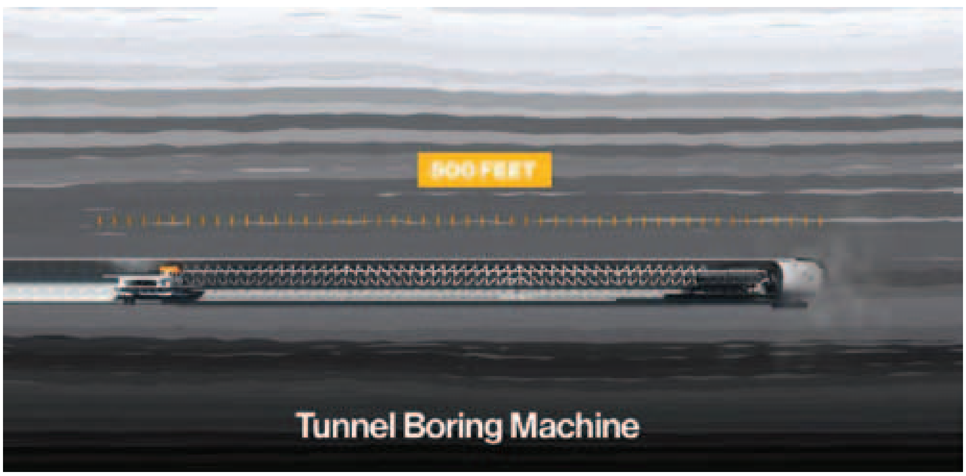
## The State of Michigan vs. Enbridge Inc.

On November 13, 2020, the Michigan Governor and Michigan's Department of Natural Resources filed a lawsuit against Enbridge in Ingham County Circuit Court of the State of Michigan. The legal case charges that, with Line 5, Enbridge has violated the conditions on the 1953 easement governing use of a 4-mile section of public land upon which the 68-year-old pipeline rests as it crosses under the Straits of Mackinac (the narrow body of water connecting Lake Michigan to Lake Huron). Whitmer contends in the suit that Enbridge has placed the pipeline support structures too far apart and has also exceeded the maximum curvature allowed for pipeline bends, as specified in the easement.

On November 24, 2020, Enbridge filed a federal complaint in the United States District Court for the Western District of Michigan seeking an injunction to stop the state of Michigan from taking any steps to prevent the operation of Line 5, arguing that the Michigan action interferes with comprehensive federal regulation of pipeline safety and burdens interstate and foreign commerce in clear violation of federal law and the U.S. Constitution.

On the same day, Enbridge got the case moved to Federal court, out of Michigan's legal system. Enbridge argues that a Federal agency, the Pipeline and Hazardous Materials Safety Administration (PHMSA), is their safety regulator, not the state of Michigan, and moreover they affirm that recently their regulator reviewed the safety of Line 5's dual 20-inch-diameter pipelines passing under the Straits of Mackinac and found them fit for service. Enbridge stated that it has no intention of shutting down Line 5 and intends to continue its operation for at least four more years when their proposed new 4-mile tunnel-encased pipeline under the straits might be brought online. (See an Enbridge animation of tunnel construction here.)

On March 16, 2021, Michigan Attorney General Dana Nessel filed a motion to remand *State of Michigan vs. Enbridge* back to the 30th Circuit Court of Michigan, contesting Enbridge's arguments for making it a Federal



Enbridge/GLTP/Todd Kimberley

*An artist's rendering of the 500-foot machine that will bore the tunnel under the Straits of Mackinac to house Enbridge's Line 5 replacement pipeline. See animation here.*

case. The state of Michigan takes the view that they have the authority to shut the pipeline down on May 12, but since Enbridge has made it clear that it does not intend to comply voluntarily, a court order would be needed to enforce the shutdown. Enbridge and the state of Michigan entered into a mediation of the dispute by retired U.S. District Judge Gerald Rosen on April 16.

Were the pipeline to be shut, the impact on Michigan itself would be huge. At full capacity, Line 5 transports 540,000 barrels of oil and natural gas liquids (NGLs) every day. That's the equivalent of 2,000 trucks on the road, or the equivalent of 800 rail cars travelling one way, every day.

Given the lack of any credible plan to effectively and safely transport such huge volumes of oil and NGLs by other means to the ten regional refineries which would be adversely impacted, a daily shortage of over 14 million U.S. gallons of gasoline, diesel and jet fuel can be expected to hit the entire region, including Wisconsin, Indiana, Ohio, Pennsylvania, as well as Ontario and Quebec. Refineries served by Line 5 in Michigan, Ohio, Pennsylvania, Ontario and Quebec would receive approximately 45% less crude oil than their current demand. The inability to transport NGLs to refineries and then to market is expected to cause a propane supply shortage in Michigan alone of 756,000 U.S. gallons per day, which will adversely affect home heating and agriculture.

On the other hand, shortages of NGLs at the refineries can create bottlenecks in the production of value-added petrochemical feedstocks, such as, for example, ethylene, an essential input in the production of a wide variety of useful materials, including polymers (e.g., polyethylene, polyvinyl chloride (PVC), polystyrene), synthetic fabrics (e.g., polyester) and anti-freeze (ethylene glycol).

The impact of a closure of Enbridge Line 5 would have a much bigger direct impact on the rest of Canada than the shutdown of Keystone XL. In the Sarnia-Lambton federal electoral district alone, one in every four jobs is tied to the petrochemical industry. Four refineries in Ontario—Imperial Oil, Suncor, and Shell (in Sarnia), and Imperial Oil (in Nanticoke)—with a total capacity of 393,000 barrels per day constitute Canada's second largest refining capacity after Alberta. Quebec relies upon Line 5 and another Enbridge pipeline, Line 9, to supply crude oil to two refineries Suncor in Montreal and Valero in Lévis near Quebec City, as well as many petrochemical companies. For example, thousands of good jobs associated with the unique polyester manufacturing chain in Montreal's East End are at stake.

There are strong words in Canada about the potential disaster. The Canadian House of Commons Special Committee on the Economic Relationship between Canada and the United States released an Interim Report in April sounding the alarm. Canadian Natural Resources Minister Seamus O'Regan said that he has reached out to all levels of government in the U.S., and "made our case" to both Republicans and Democrats. Over 20 meetings have been held by legislators on both side of the border. "We have signaled very clearly that this is non-negotiable," O'Regan is reported to have said in an interview. He added, "Line 5 is very different from Keystone XL and we fully support it, and we will defend it."

Alberta and Saskatchewan, which accounted for 92% of Canada's oil production in 2018, have grounds for mistrust. The memory is fresh of how the Trudeau government in 2016 cancelled an earlier Enbridge pipeline proposal (Northern Gateway) to move their crude oil to the port of Kitimat, British Columbia, for export to Asia. Admittedly, Trudeau did make up for it by approving, at the same time, construction of two new pipelines that are now being built: Kinder Morgan's Trans Mountain Expansion which will nearly triple the capacity of the existing pipeline and the Enbridge Line 3 Replacement. Then in September 2019, the Trudeau government passed Bill C-48, The Oil Tanker Moratorium Act, preventing the marine export of Canadian crude oil from any British Columbia port between the northern tip of Vancouver Island and the Alaska Panhandle.

When former U.S. President Donald Trump in September 2020, signed the Presidential Border Crossing Permit for the Alaska to Alberta Railway (A2A Rail) to lay tracks across the Alaska-Yukon border, it generated a lot of hope and excitement in Alberta and Saskatchewan that there might be a way to get their land-locked energy resources to a market other than the United States. The implications of rail are far greater for intercontinental development, but the logistics for energy stood out. (See my article, "The Alaska-to-Alberta Railway," in the October 30, 2020 issue of *EIR*.)

## Green Deal: No Pipelines, No Fossil Fuels

Thus, the attack on Enbridge Line 5 illustrates another case of the entire purpose of the Green Deal—shutting down economic activity. The North American pipeline system is already an incoherent mess, after decades of deregulation and financialization. For example, high volumes of oil are transported in rail cars, on outmoded routes through city centers. There have been terrible accidents. What is needed is the resumption of a "public utility" approach to all sectors of energy infrastructure and electricity generation, with support and re-regulation for oil and gas, coal, electricity, and an absolute end of the wind and solar fraud. The power from these systems is a necessary bridge to resuming a full-scale nuclear energy drive, including with fourth-generation designs.

The Enbridge Line 5 pipeline case is not a "legal" fight between a U.S. state and a private energy transport company. This is a front line of the Green Deal vs. humanity. One clear indication of this is the decision on April 21 by the Michigan Public Service Commission (MPSC) agreeing with intervenors who demanded that the impact of the greenhouse gas emissions resulting from the fossil fuels being transported by the replacement segment of Line 5 must be considered under the Michigan Environmental Protection Act. Canadian Finance Minister Chrystia Freeland showed which side she was on, in her April 19 "Budget 2021" proposal to the House of Commons. On page 176, it backs compliance with the Task Force on Climate-Related Financial Disclosures, the international "green finance" bankers' dictatorship demanding ending fossil fuels altogether.

The *EIR* Special Report, "The Great Leap Backward: LaRouche Exposes the Green New Deal" is presently circulating among political, economic and constituency leaders in the United States and Canada. The report presents the genocidal Green New Deal as the lawful outcome of the anti-growth, Malthusian outlook of its real authors, the British oligarchy and their coterie of international bankers, who, faced with the disintegration of their hopelessly bankrupt financial system, are proposing a "Great Reset." The only viable alternative is an international chorus of voices calling for the Four Powers (United States, China, Russia, and India) to put the system through a Franklin Roosevelt-style bankruptcy reorganization, leading to new credit institutions in every nation and international cooperation on global economic reconstruction under a New Bretton-Woods.