

# How Shutting Down Line 5 Harms Michigan's Families and Businesses.



Michigan families and businesses will spend an additional \$1.8 billion to over \$2.2 billion on gasoline and diesel annually over the following five years due to the resulting loss of production at area refineries if Line 5 is shutdown. Across the Midwest, these families and businesses will spend at least \$23.7 billion more on gasoline and diesel.

Based on previous studies of disaster-related fuel production disruptions, the closure of Line 5 will spark a 9.47% to 11.66% regional increase in fuel prices. This increase is independent of any transportation constraints or other market conditions, such as the surge in fuel prices observed over the past 12 months that are tied to international oil markets and logistical challenges caused by the pandemic.

## Increased Transportation Fuel Expenditures by State After Closure of Enbridge Line 5 (annual, millions of dollars)

	Lower Bound			Upper Bound		
	Diesel	Gasoline	Total	Diesel	Gasoline	Total
Ohio	\$743.3	\$1,469.9	\$2,213.2	\$915.2	\$1,809.8	\$2,725.1
Michigan	\$418.7	\$1,391.1	\$1,809.8	\$515.1	\$1,712.8	\$2,228.3
Indiana	\$83.14	\$137.6	\$221.1	\$102.7	\$169.5	\$272.2
Pennsylvania	\$188.2	\$324.1	\$512.2	\$231.7	\$399.0	\$630.7
Region	\$1,433.6	\$3,322.8	\$4,756.3	\$1,765.1	\$4,091.2	\$5,856.3

Sources: U.S. Energy Information Administration; Gas Buddy; Weinstein, Clower & Associates

In addition to the increase in energy costs, Michigan could lose up to \$3 billion in economic activity, \$56.8 million in state tax revenue, and over 6,600 jobs from the shutdown of the Line 5 pipeline ordered by Michigan's governor.

	Michigan
<b>Impacts</b>	<b>Potential Loss</b>
Output (economic activity)	\$3,061,835,000
Gross State Product	\$1,021,006,000
Labor Income	\$464,559,000
Jobs	6,692
State Tax Revenue	\$56,811,000

Sources: Authors' estimates; IMPLAN