

WHAT SHUTTING DOWN LINE 5 MEANS FOR MICHIGAN



Michigan could lose more than \$3 billion in economic activity, \$56.8 million in state revenue and almost 6,700 jobs from the shutdown of the Line 5 pipeline ordered by Governor Gretchen Whitmer, a recent independent study requested by Consumer Energy Alliance (CEA) finds. The [analysis](#) looks at the economic impacts to consumers, businesses, and communities across the Midwest and Great Lakes because of unnecessarily, and prematurely shutting down Line 5 – a vital piece of critical energy infrastructure. Right now, the Line 5 pipeline carries roughly 540,000 barrels per day of oil and natural gas liquids (NGLs)—mainly propane—from northwestern Wisconsin, through the state of Michigan, and terminates in Sarnia, Ontario.

The order by Michigan Governor Gretchen Whitmer to shut down the pipeline harms more than just Michigan consumers. The impacts would reverberate on a much larger basis – even with our largest trading partner, Canada. The negative impacts across Indiana, Michigan, Ohio and Pennsylvania combined would be:

- **\$20.8 billion loss in economic activity**
- **\$8.3 billion reduction in combined Gross State Product**
- **\$2.36 billion foregone labor earnings in salaries, wages and benefits.**
- **33,755 lost jobs**
- **\$265.7 million lower annual state tax revenues.**

Critically, for consumers and manufacturers across the Midwest and Great Lakes, refineries and petrochemical plants in Michigan, Ohio, and Pennsylvania will lose feedstocks if Line 5 is shuttered, which will cascade throughout the industrial supply chains of the region.

While not analyzed in this study, states, business owners and consumers should consider the upward pressures on gasoline, diesel and jet fuel prices shutting down Line 5 would cause. It would mean higher input costs for businesses, supply disruptions and likely economic retaliation from Canada due to violations of a bilateral treaty that has been in place since the late 1970s.

Below is a snapshot of what it means for Michigan and the potential damage this shortsighted decision could cause for families, small businesses, and industries.

MICHIGAN	
IMPACTS	POTENTIAL LOSS
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