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GOVERNOR

STATE OF MICHIGAN  
OFFICE OF THE GREAT LAKES  
LANSING



JON W. ALLAN  
DIRECTOR

April 14, 2016

Mr. Chris Davy  
Deputy Director  
Office of Energy Diplomacy  
Energy Resources Bureau  
U.S. Department of State  
2201 C. Street, NW, Suite 4428  
Washington, D.C. 20520

Dear Mr. Davy:

Thank you for reopening the public comment period regarding the issuance of a Presidential Permit to Plains LPG Services, L.P. (herein referred as Plains). The State of Michigan respectfully submits that the requested Plains permit should not be issued pending satisfactory resolution of the critical environmental and public health comments enumerated below.

The State of Michigan is defined by the Great Lakes. The Great Lakes shape our lifestyle and economy. By implementing programs that provide for the protection, restoration, and conservation of the Great Lakes, the State of Michigan ensures that the chemical, physical, and biological integrity is maintained for valuable ecosystem services, human health, and enjoyment they provide. Therefore, the State of Michigan submits the following comments regarding the issuance of a Presidential Permit authorizing the transport of crude oil and other liquid hydrocarbons through six pipelines traversing under the St. Clair River, of which two were constructed in 1918.

1. As a matter related to proper and timely notification to, and engagement with, the Great Lakes states and the Provinces of Canada, the federal governments of the U.S. and Canada are signatories to the Great Lakes Water Quality Agreement (Agreement), as amended in 2012. The Agreement provides a vital framework for binational consultation and cooperation to protect and restore the water quality of the Great Lakes. Article 6c, Notification and Response, of the Agreement states that "the Parties shall notify each other, through the Great Lakes Executive Committee [GLEC], of planned activities that could lead to a pollution incident or that could have a significant cumulative impact on the Waters of the Great Lakes, such as:.. (iii) oil and gas pipelines..." The State of Michigan is a member of the GLEC and was not notified by the U.S. GLEC Secretariat regarding the planned activity until March 25, 2016. This notification was 30 days after the first public notice period closed and 10 days after the second public comment period was re-opened. In accordance with the GLWQA, we request that the U.S. Department of State (DOS) and U.S. Environmental Protection Agency (EPA) assure that the Parties and GLEC members are notified in a timelier manner of any further proposed action on this matter or of similar planned activities.
2. According to Plains, the 1918 pipelines will be inspected prior to commencing operations in order to identify and address any environmental or safety concerns. The State of Michigan believes the inspections should be completed prior to the issuance of the Presidential Permit so that the results of the inspections could be considered during the decision making process.

3. Plains states that it has an internal process in which it examines the condition and operating history of its pipelines and related infrastructure to determine if they need replacement or additional investment. Plains acquired the pipelines from Dome Petroleum Corp. in 2012; for the 1918 pipelines, this would be the fifth owner. Therefore, Plains should submit documentation demonstrating and confirming they have the complete operating history of the pipelines dating back to their 1918 installation by, then owner, The Imperial Pipeline Company, Ltd.
4. Plains states that it has an integrity management program that includes pipeline inspection, correction of identified anomalies, and other measures to ensure pipeline safety and integrity. Plains should be required to submit further information regarding their integrity management program, specifically how they plan to implement the program for the 1918 pipelines and more particularly lines with the smaller diameter liners contained within. Additional information should include how they plan to inspect the lines, what type of inspection tools will be used, and whether external pipeline inspections will or can be conducted. Due to the age of the pipelines, Plains should be required to utilize the best available technology when implementing their integrity management program on the 1918 pipelines.
5. Prior to a decision on the Presidential Permit, Plains should be required to submit a spill response plan and contingency plan for all six of the pipelines, especially since they are seeking authorization for crude oil transportation. The spill response plan and contingency plan should be reviewed and approved by the U.S. Coast Guard to ensure they are comparable to the Southeast Michigan Area Contingency Plan and the St. Clair River Geographic Response Plan.
6. The St. Clair-Detroit River System provides drinking water to millions of U.S. and Canadian residents, and boasts a combined multi-billion dollar boating, recreation and commercial fishing industry. The State of Michigan recommends that the DOS request Plains to conduct a comprehensive risk analysis of all six pipelines to determine the risk they pose to the environment and public health and also determine the liability if a worst case spill were to occur for any and all types of products for which they seek approval.

The results of the risk analysis can provide information that can be used by the state and federal governments and other interested parties in making decisions about the pipelines including the assessment of potential risks associated with the lines. The State of Michigan has recently requested a similar analysis<sup>1</sup> be conducted on a crude oil transportation pipeline located within the Great Lakes and believes that this pipeline should be treated no differently.

Plains should be made aware of the importance of the St. Clair River, Lake St. Clair and the Detroit River as an important drinking water source for U.S. and Canadian citizens and of course Michigan residents, and should be tasked with participating in on-going or future monitoring of the rivers related to water quality in relation to drinking water intakes in this important set of connecting channels between Lake Huron and Lake Erie.

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<sup>1</sup> Independent Risk Analysis for the Straits Pipelines:  
[http://www.michigan.gov/documents/energy/REQUEST\\_FOR\\_INFORMATION\\_AND\\_PROPOSALS\\_Independent\\_Risk\\_Analysis\\_02\\_22\\_19\\_3\\_515310\\_7.pdf](http://www.michigan.gov/documents/energy/REQUEST_FOR_INFORMATION_AND_PROPOSALS_Independent_Risk_Analysis_02_22_19_3_515310_7.pdf)

7. The State of Michigan recommends that the DOS request Plains to conduct an alternatives analysis of all six pipelines (for current liquids and in particular for crude oil transport) to determine if an alternative promotes the public health, safety, and welfare and protects the public trust resources of the Great Lakes. The results of the alternatives analysis can provide information that can be used by the state and federal governments and other interested parties in making decisions about the pipelines. The State of Michigan has recently requested a similar analysis<sup>2</sup> be conducted on a crude oil transportation pipeline located within the Great Lakes.

The State continues to have significant important unanswered questions about the integrity of the current set of pipelines (and/or liners) and their operations that cross the St. Clair River, especially as Plains is seeking to establish the potential to carry crude oil in all six of these lines at some time in the indeterminate future through this Presidential Permit. The same concerns also apply to the permit issued to Plains on May 23, 2014, for their facilities on the Detroit River. The State has spent considerable time and effort recently assessing the state and condition of the pipelines in the Straits of Mackinac – for which we still have outstanding questions - and seek due consideration of issues of material interest and concern for the State in this matter in the St. Clair-Detroit River System.

We look forward to collaboration with you as the issues we have set forth are addressed. If you have any questions or need additional information, please contact Michelle Selzer at selzerm@michigan.gov, or at 517-284-5050, or you may contact me as well.

Sincerely,



Jon W. Allan  
Director  
517-284-5035

cc: Attorney General Bill Schuette  
Ms. Angela Ayers, Special Advisor on the Environment, Governor's Office  
Mr. Cameron Davis, Special Advisor on the Great Lakes, EPA  
Ms. Valerie Brader, Executive Director, Michigan Agency for Energy  
Mr. Keith Creagh, Director, Michigan Department of Environmental Quality

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<sup>2</sup> Independent Alternatives Analysis for the Straits Pipelines:  
[http://www.michigan.gov/documents/energy/REQUEST\\_FOR\\_INFORMATION\\_AND\\_PROPOSALS\\_Independent\\_Alternatives\\_Analysis\\_02\\_22\\_16\\_3\\_515312\\_7.pdf](http://www.michigan.gov/documents/energy/REQUEST_FOR_INFORMATION_AND_PROPOSALS_Independent_Alternatives_Analysis_02_22_16_3_515312_7.pdf)