



MEMORANDUM

To: Gary Kellan
From: Matt Solak
Date: May 15, 2021
Re: MAAE Monthly Legislative Report

Overall State Issues

Line 5 Remains Operational

May 12 was the date by which the State of Michigan told Enbridge to stop operating Line 5 after Governor Whitmer gave notice that she was going to revoke the 1953 easement on which the pipelines sit. As previously indicated, Enbridge, did not comply with the Governor's Order while dueling lawsuits play out in court.

Whitmer's administration has accused Enbridge of trespassing if it continues to operate Line 5 beyond this date and has threatened to seek any profits Enbridge derives from continued use of the lines, citing unjust enrichment.

Enbridge recently announced other entities have filed amicus briefs in support of its position as well, including the Canadian government, the attorneys general of Ohio and Louisiana and North America's Building Trades Unions and the United Steelworkers of America.

Enbridge has consistently argued that the State of Michigan has no authority to order the shutdown because the federal Pipeline and Hazardous Materials Safety Administration oversees interstate pipelines.

A shutdown would imperil an estimated 33,000 jobs and cause at least \$20.8 billion in economic losses in Michigan, Ohio, Indiana and Pennsylvania. Additionally, the shutdown would create massive disruptions in the propane market in Canada and the Midwest. It would result in a daily shortage of over 14 million gallons of gasoline and other transportation fuels, impacting Wisconsin, Indiana, Ohio, Pennsylvania, Ontario, and Quebec. Ten refineries would be

significantly and adversely impacted, and most important to the aviation industry would be negative impact at the refinery in Toledo that supplies a large percentage of the aviation fuel to Detroit's Metropolitan Airport.

Airport Issues

House Supplemental Budgets Support Airport Programs

The Michigan House of Representatives has passed two supplemental budget bills HB 4419 and HB 4420. HB 4420 included \$25 million for PFAS remediation grants. Boilerplate language in the budget requires that \$15 million be allocated to municipal airports and independent airport authorities for costs of monitoring and additional testing related to PFAS.

HB 4419 included appropriations of federal funding for airports to aid in their COVID response.

General Aviation Airports will receive \$2.0 million in federal CRRSAA funds to provide economic relief for Michigan's general aviation airports. Funding would support airport operations and is provided at 100% federal share. No non-federal match is required.

Primary Airports will receive \$68.0 million in federal CRRSAA funds to provide economic relief for Michigan's primary airports. Funding would support airport operations and is provided at 100% federal share. No nonfederal match is required.

Both of these supplemental budgets must still be negotiated between the Michigan Senate and the Whitmer Administration.

Peer-to-peer Carsharing Legislation

MAAE has received draft legislation provided by Enterprise Rental Cars to better regulate peer-to-peer carsharing service companies. These companies include Turo, Getaround and Maven. Peer-to-peer carsharing (also known as person-to-person carsharing and peer-to-peer car rental) is the process whereby existing car owners make their vehicles available for others to rent for short periods of time. These companies are attempting to offer rental car services for substantially less than traditional rental car companies.

These companies may be operating without a service agreement at some airports in likely violation of those airport's ground transportation regulations. The MAAE Board is reviewing the language to determine engagement on this issue.

MAAE worked previously on a similar issue when Lyft and Uber wanted to operate on airport property without complying with any type of ground transportation agreement with airports or any payment to the airport like other ground transportation companies.

EGLE offers clean fuel grants to upgrade Airport Equipment

The Michigan Department of Environment, Great Lakes, and Energy (EGLE) announced a three-part funding opportunity that totals \$30 million for the replacement of commercial, mass transit

and transportation support vehicles that move products with new models, including electric, alternative fuel and diesel vehicles.

The [request for proposals](#) covers medium and heavy-duty local freight trucks, transit and shuttle buses, freight switchers, tug and ferry boats, port cargo handling equipment, forklifts and airport ground support equipment. Funds will also be available in the future to install shore power for vessels that operate within the Great Lakes. The request for proposals information is posted on the [Fuel Transformation Program](#) website.

Airport ground support equipment, port cargo handling equipment, and forklifts. \$5 million available. Replacements must be electric vehicles or equipment. Grants range from \$50,000 to \$3 million. EGLE is planning to begin accepting proposals for these projects in early 2023.