

OIL SPILL ECONOMICS

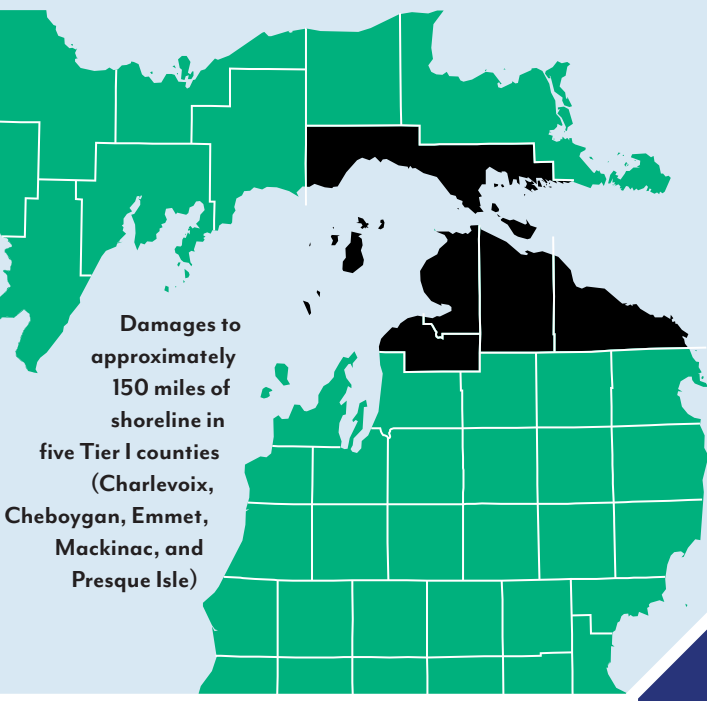
“A rupture of this pipeline... has the potential to inflict economic damages that are significant, if not catastrophic”

Estimates of the Economic Damages of an Oil Spill in the Straits of Mackinac in Michigan

SCENARIO 1

A moderate rupture that would result in a slowly leaking spill of approximately 500,000 gallons (about 9,100 barrels), referred to herein as “medium-impact” scenario,

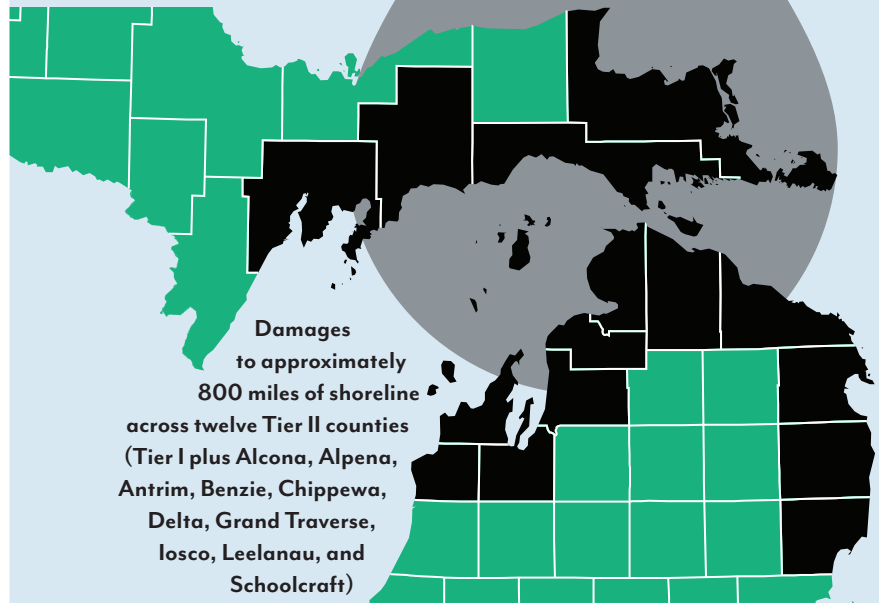
MEDIUM IMPACT



SCENARIO 2

A “high-impact” scenario involving a major spill of longer duration, of approximately 2,500,000 gallons (about 45,500 barrels).

HIGH IMPACT



Costs of natural resource damages and restoration from an oil spill under the medium-impact scenario:

\$116.25 MILLION



Natural resource damages and restoration:

\$620 MILLION



Economic damages to municipalities related to drinking water provision and wastewater treatment facilities:

\$15.5 MILLION



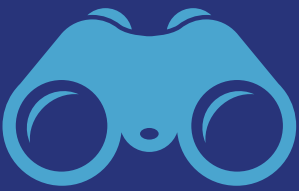
Economic damages are estimated to be more than:

\$233 MILLION



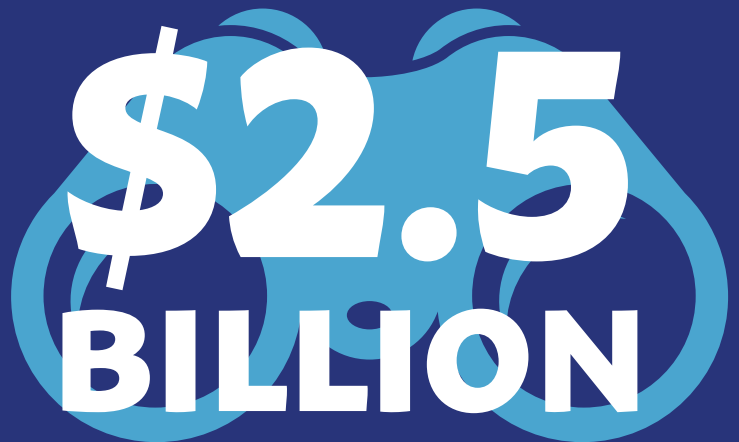
Economic damages to the tourism sector estimated to be:

\$1.6 BILLION



Economic damages to the tourism sector:

\$2.5 BILLION



Economic damages to coastal property based on median home values in Mackinac Island approximately:

\$224 MILLION



Economic damages to coastal properties nearby:

\$337 MILLION



Economic impacts to the commercial fishing sector

\$29.5 MILLION



Economic impacts to the commercial fishing sector

\$61 MILLION



THE TOTAL ESTIMATE OF POSSIBLE ECONOMIC IMPACTS

\$1.9 BILLION



THE TOTAL ESTIMATE OF POSSIBLE ECONOMIC IMPACTS

\$3.1 BILLION

