

OIL SPILL ECONOMICS

Estimates of the Economic Damages of a Potential Oil Spill in the Straits of Mackinac

“A rupture of this pipeline... has the potential to inflict economic damages that are significant, if not catastrophic.”
-Dr. Robert Richardson, ecological economist, MSU



\$6.3 BILLION
in economic impacts,
damages & restoration



\$697.5 MILLION
in costs for natural resource damages and restoration



\$4.8 BILLION
in economic damages to the tourism economy



\$485 MILLION
in economic damages to coastal property values



\$233 MILLION
in economic damages to municipal water systems

FLOW
FOR LOVE OF WATER



\$61 MILLION
in economic impacts to commercial fishing

NOTES

THE MAY 2018 STUDY:

- * Does not depict a worst-case spill.
- * Is based on a hypothetical scenario involving a major spill of approximately 2,500,000 gallons of crude oil (approximately 59,500 barrels).
- * Assumes the spill would take place during months under ice-free conditions favorable to response.
- * Does not estimate impacts to the shipping sector, costs of evacuation, and impacts on Canadian shorelines and economic sectors.