



FACT SHEET: Keystone XL Pipeline Act (S.1)

Republicans have made their first order of business in the new Congress a bill to authorize construction of the Keystone XL Pipeline – a single project for the benefit of a Canadian oil company instead of hard working Americans. The pipeline would create few jobs and do little to improve the lives of middle-class Americans, while polluting our environment and providing oil to foreign customers. To make sure the pipeline is built, Republicans are even willing to allow a foreign pipeline operator to threaten American landowners with eminent domain to force them off of their private property.

The Keystone XL Pipeline is for Oil Companies and Special Interests

Keystone XL pipeline oil will not stay in the U.S. for the benefit of Americans.

According to the Wall Street Journal, much of the crude oil that would flow down the proposed Keystone XL pipeline would likely be *exported* as refined products. There are no limits on exports of refined products, even if they're made with U.S. oil. Refined exports have risen sharply along with U.S. production, and in 2013, refineries along the Gulf Coast exported more than 983 million barrels of processed products like gasoline, diesel and jet fuel – more than double the 429 million barrels exported in 2008. [Wall Street Journal, [3/14/13](#); Bloomberg, [1/9/15](#)]

- **TransCanada refuses to commit to keeping the crude oil or refined product in America.** When asked whether TransCanada would commit to including a requirement in long term contracts with Gulf Coast refineries, as a condition of shipping, that all refined fuels produced from oil transported through the Keystone XL pipeline be sold in the United States, TransCanada's President of Energy and Oil Pipelines, Alexander Pourbaix responded "no, I can't do that." [Testimony of Alexander Pourbaix, [2/2/11](#)]
- **Canadian tar sands oil is already reaching European and Asian markets via Gulf Coast refineries.** Canadian oil has travelled through the United States to ports in the south where it is loaded on to tankers and shipped to destinations like Spain, Italy, Singapore, and Switzerland. [Globe and Mail, [11/2/14](#)]

The steel used to build the Keystone XL pipeline will be manufactured outside the U.S. TransCanada has contracted with an Indian company, Mumbai based Welspun Corp, and a Russian company, Evraz, to manufacture steel pipe for the Keystone XL pipeline. Evraz, will manufacture about 40% of the Keystone XL pipe in its Camrose and Regina mills in Canada. A 2011 analysis by Cornell University found that 50% or more of the steel pipe, the main material input used for Keystone XL, will be manufactured outside the U.S. [Bloomberg, [2/13/12](#)]

- TransCanada imported almost all of the steel pipe needed for the U.S. portion of Keystone XL Phase 1 (Hardesty, Alberta to Patoka, Illinois) from Welspun's plants in India. The rest of the pipe for Phase 1 was manufactured by Evraz in its Canadian mills. [Bloomberg, [2/13/12](#)]
- TransCanada has a history of using low-quality, foreign made steel, to build U.S. pipelines. [[United Steelworkers](#)]

The Keystone XL Pipeline Act would allow a foreign corporation to threaten American landowners with eminent domain to force them off of their private property. This legislation would allow TransCanada to use existing state laws along the route of the pipeline to threaten landowners with eminent domain.

- As reported in the NY Times, “TransCanada has been threatening to confiscate private land from South Dakota to the Gulf of Mexico, and is already suing many who have refused to allow the Keystone XL pipeline on their property, even though the controversial project has yet to receive federal approval. Randy Thompson, a cattle buyer in Nebraska, was informed that if he did not grant pipeline access to 80 of the 400 acres left to him by his mother along the Platte River, “Keystone will use eminent domain to acquire the easement.” Sue Kelso and her large extended family in Oklahoma were sued in the local district court by TransCanada, the pipeline company, after her siblings and she refused to allow the pipeline to cross their pasture. [The New York Times, [10/17/11](#)]

The Keystone XL Pipeline Will do Little for Hard Working Americans

The pipeline will create fewer than 50 permanent jobs. The State Department's assessment finds that pipeline would only create 35 permanent jobs. TransCanada's own CEO, Russ Girling, concedes that permanent jobs to operate the Keystone XL pipeline tops out at 50. [Politifact, [11/16/14](#); State Department Final EIS, [1/14](#)]

- The pipeline will create *no more* than 2,500 – 4,650 temporary direct construction jobs for two years, according to TransCanada's own data. Last month alone, the economy created 252,000 private sector jobs. [State Department Final EIS, [1/14](#); BLS, [1/9/15](#)]

Clean energy policies create far more jobs than the pipeline. Over 3.4 million Americans are employed in “green goods and services”, which includes renewable energy, energy efficiency, pollution reduction and removal, greenhouse gas reduction, recycling and reuse, and natural resources conservation. **In 2012 alone, the clean energy sector created 110,413 jobs.** [BLS, [3/9/13](#); EESI.org, [6/13](#)]

- **Wind Production Tax Credit (PTC):** The American Wind Energy Association estimates that the PTC will allow the wind industry to grow to over 100,000 jobs in four years and continue toward supporting 500,000 jobs by 2030. *Without the PTC, the industry stands to lose 35,000 American jobs.* [American Wind Energy Association, [3/3/14](#)]
- **Solar Investment Tax Credit:** The solar industry has grown from 15,000 employees in 2005 to more than 143,000 today. These employees work at more than 6,100 companies, the vast majority being small businesses. In 2013, the U.S. solar industry added almost 24,000 additional jobs, and job creation in the industry grew at a rate of nearly 20 percent. [Bloomberg, [1/27/14](#); [Solar Energy Industry Association](#), [4/30/14](#)]

- **Investing in a 21st Century Grid:** An analysis from the U.S. Department of Energy reports smart grid projects funded through the American Recovery and Reinvestment Act (ARRA) created nearly 50,000 jobs, \$7 billion total economic output, and over \$1 billion in tax revenue. The smart grid GDP multiplier was substantial – for every \$1 million of direct spending, GDP increased by \$2.5 - \$2.6 million. [DOE, 4/13]

The Keystone XL Pipeline will Make Climate Change Worse and Pollute Our Air and Water

The Keystone XL Pipeline will have a major negative impact on our climate. The cumulative total of added carbon pollution from burning tar sands oil [compared to traditional crude oil] over the pipeline’s 50 year lifespan could be over 1.4 billion metric tons of carbon pollution. Each year, burning oil from the pipeline would have the same impact as adding 5.8 million new cars to the road, building 8 new coal plants, and wiping away the carbon pollution reductions gained from the EPA’s first round of fuel economy improvements for heavy trucks. [State Department Final EIS, 1/14]

- Oil consumption caused by the Keystone XL pipeline could result in up to 110 million metric tons of carbon pollution each year – four times the State Department’s high end estimate. [Nature Climate Change, 8/10/14]
- A barrel of tar sands oil carried by the Keystone XL pipeline would create at least 17% more carbon pollution (life-cycle) than domestic oil, according to the State Department’s analysis. Oil industry executives and Canadian government officials assert that approval of Keystone XL is essential to the expansion of tar sands production: [State Department Final EIS, 1/14]
 - “In order for tar sands oil production to grow, the North American pipeline network must be expanded through initiative, such as the Keystone XL Pipeline project.” – Joe Oliver, Canada’s Minister of Natural Resources [Greenwire, 8/26/13]
 - The President of Canadian Natural Resources, Steve Laut, said the Keystone XL pipeline is essential for the expansion of the tar sands industry: “long term, we do need Keystone to be able to grow the volumes in Canada.” [Globe and Mail, 5/3/14]
 - The International Energy Agency’s World Energy Outlook 2013 finds that ambitious tar sands expansion would require the construction of major new pipelines to enable the crude to be exported to Asia and the U.S. and specifically cites the Keystone XL pipeline as critical to allowing these expansion efforts. [International Energy Agency, 11/13/13]
- According to a recent study, 85% of Canada’s tar sands oil reserves must not be burned in order to prevent dangerous climate change temperature increases. The study’s conclusion on the exploitation of Canada’s oil sands is blunt, finding production must fall to “negligible” levels after 2020 if dangerous rises in temperature are to be avoided. [Nature, 2/18/14]

- Tar sands production is the reason why Canada will overshoot its 2020 international carbon pollution reduction pledge by over 20%. In fact, Canada's greenhouse gas emissions will actually increase between 2005 and 2020. Sharply rising GHG emissions in the oil and gas sector will almost completely offset falling greenhouse gases from Canada's electricity generating sector. [The Canadian Press, [12/9/14](#)]

Tar sands oil spills are virtually impossible to clean up and have devastating consequences. The U.S. Coast Guard has indicated that responding to tar sands spills in water is challenging because the heavier oil sinks to the ocean floor where our technology is “lacking.” Tar sands oil creates especially difficult cleanup challenges when pipelines rupture. Over four years ago, a burst pipeline spilled close to a million gallons of tar sands oil into the Kalamazoo River in Michigan. Homes filled with benzene and other VOCs fumes right after the spill, and health concerns about exposure to the river's contaminated sediments still exist. [Testimony of Vice Admiral Paul Zukunft, [4/9/14](#); EPA, [10/16/14](#)]

The pipeline will have a negative impact on clean air and public health in refinery communities. Significantly higher levels of carcinogens and dangerous air pollutants are found in communities that are downwind from where tar sands are refined. These toxic pollutants people are linked higher rates of cancers, including leukemia and non-Hodgkin's lymphoma. [Science Direct, [12/13](#)]

- Pet coke is possibly the dirtiest fossil fuel available, emitting at least 30 percent more CO₂ per ton than an equivalent amount of the lowest quality mined coals. Tar sands refining produced 50% more pet coke than conventional crude. [Scientific American, [1/23/13](#)]
- Pet coke dust is particulate matter. Particulate matter is among the most harmful of all air pollutants. When inhaled these particles evade the respiratory system's natural defenses and lodge deep in the lungs. Health problems begin as the body reacts to these foreign particles. Particulate matter can increase the number and severity of asthma attacks, cause or aggravate bronchitis and other lung diseases, and reduce the body's ability to fight infections. [EPA]
- Unprotected piles of pet coke have appeared in Detroit and Chicago, prompting significant protests from local communities. Residents living near these piles face black clouds of pet coke dust blowing off the piles coating the inside and outsides of their homes. [State Department Final EIS, [1/14](#)]
- Last March, National Nurses United, a group of 185,000 registered nurses, wrote Secretary Kerry requesting an immediate, comprehensive State Department study on the human health impacts of the proposed Keystone XL pipeline project. [National Nurses United, [3/13/14](#)]

The Keystone XL pipeline could pose a threat to the Ogallala Aquifer — one of the world's largest underground sources of fresh water. According to the State Department's Supplemental Final EIS, there are 2,537 wells within 1 mile of the proposed pipeline, including 39 public water supply wells and 20 private wells within 100 feet of the pipeline right-of-way. The majority of these wells are in Nebraska. Those wells that are in the vicinity of a petroleum release from the proposed pipeline would be affected by a spill.

- Pipeline regulators reported during one week in early 2014, almost three-quarters of the welds made on TransCanada's Gulf Coast pipeline (the southern portion already being built) failed inspection and required redoing. [Bloomberg, [5/30/14](#)]
- A University of Nebraska study found that Keystone XL pipeline is likely to have 91 major spills over its 50 year lifetime. [[University of Nebraska](#)]