



# Keystone XL: Myths vs. Facts

*Keystone XL – the 2,000 mile tar sands pipeline that would stretch from Canada to the Gulf Coast – has sparked an escalating debate in recent months, with both sides sparring over the consequences for energy security, jobs, public health and environmental safety. President Obama’s recent rejection of a cross-border permit was an important and prudent decision, but some members of Congress are pushing legislation to move the project forward anyway. Meanwhile, Big Oil has doubled down on the fight, vowing “huge political consequences” for the President. It should come as no surprise that their tactics are underhanded, but time after time TransCanada and its allies have been caught spreading lies and misinformation about the proposal. So what do you need to know about the biggest threat to our nation’s energy future? **Let’s bust the biggest myths about KXL one at a time:***

**MYTH #1:** *Keystone XL will create half a million jobs*

**FACT:** The numbers keep skyrocketing. Five thousand, twenty thousand, 250,000 – even half a million jobs would be created by one pipeline, according to the American Petroleum Institute. Backers like API and the US Chamber of Commerce are making KXL seem like the best infrastructure project since the interstate highways were built, capable of single-handedly lifting our country out of recession. But according to the only independent analysis (by Cornell University’s Global Labor Institute) these claims don’t hold water. The fact is, TransCanada’s job claims are complete fabrications, and **the Cornell report concludes that “KXL will not be a major source of US jobs, nor will it play any substantial role at all in putting Americans back to work.”**<sup>i</sup> The State Department’s own study suggests that far fewer jobs will be created and most of them will be non-local and temporary.

Which brings us to our second myth...

**MYTH #2:** *Organized Labor loves the pipeline*

**FACT:** We all know how important jobs are, even if they’re temporary. Keystone XL, though, would make it much harder for the United States to invest in clean energy jobs and address global climate change, and that worries organized labor a great deal. In a Jan. 18 press release **the United Steelworkers, the Transport Workers Union, the United Auto Workers, the Communications Workers of America, and the Service Employees International Union praised President Obama’s decision to reject the permit**, criticizing the “job blackmail agenda” of Big Oil’s friends in Congress and calling their efforts to force construction “cynical.”<sup>ii</sup> The Labor movement isn’t monolithic, but our best bet at a clean energy economy lies far, far away from the tar sands.

**MYTH #3:** *Keystone XL will improve America’s energy security*

**FACT:** **The Keystone XL pipeline is designed for one thing—to send oil from Canada to the Texas Gulf coast, and from there to overseas markets.** According to retired



*Can we trust Big Oil to tell the truth about their pet project? (Photo: flickr.com/Union)*

Brigadier General Steven M. Anderson (the US Army's senior logistician in Iraq from 2006-2007), the pipeline "would set back our renewable energy efforts for at least two decades, much to our enemies' delight. It would ensure we maintain our oil addiction and delay making the tough decisions regarding energy production, management and conservation that we need to start making today." And as Anderson makes clear, "Canadian oil won't replace imports from hostile countries because Texas refiners are serving global demand rather than domestic need."<sup>iii</sup>



*Unrefined tar sands (Photo: Lou Gold)*

**MYTH #4:** *Keystone XL is safe*

**FACT:** Because raw tar sands bitumen is more corrosive and abrasive than normal crude oil, **the risk of a spill is greater.** The Alberta pipeline system (which carries diluted bitumen, the same product planned for KXL) has had approximately sixteen times as many spills due to internal corrosion as the U.S. system. Yet, the safety and spill response standards used by the United States to regulate pipeline transport of bitumen are designed for conventional oil. To make matters worse, **the industry doesn't know how to clean up this product after a spill**—its unique composition means that traditional clean-up techniques don't work (for example, unlike regular oil, diluted bitumen sinks in water).

**MYTH #5:** *Keystone XL will reduce our energy prices.*

**FACT:** According to its own secret documents submitted to the Canadian government, **TransCanada expects the pipeline to increase gas prices in the Midwest by up to 15 cents per gallon.** Currently, a surplus of gas in the region means that our prices stay stable. If the pipeline is built oil companies will be able to send their product to the Gulf coast for export, which will reduce this surplus and drive up costs for Midwestern consumers.<sup>iv</sup>

**MYTH #6:** *Out-of-state "special interests" and "environmental extremists" spearheaded opposition to the pipeline in Nebraska and elsewhere along the pipeline route.*

**FACT:** **The real out-of-state special interests are TransCanada (a foreign oil company) and its lobbyists in Washington, who stand to make billions from this project.** Meanwhile, Nebraskans of all stripes, including ranchers, farmers, Tribes and elected representatives from both sides of the aisle (including Republicans like Senator Mike Johanns and Governor Dave Heineman) expressed their united opposition to the pipeline route. Not to mention the thousands of American landowners who have testified against the pipeline at local hearings around the country.

**MYTH #7:** *Keystone XL won't increase global warming pollution because Canadian tar sands will be exploited even if we don't build the pipeline.*

**FACT:** TransCanada has put almost all of its eggs in the KXL basket for one simple reason—that's the only realistic way to sell its product overseas. Another company, Enbridge (which was responsible for a million gallon spill in Michigan last summer) is attempting to build a 730 mile "Northern Gateway" pipeline to Canada's west coast, but it has stalled due to strong opposition from indigenous communities along its path. Any western route would face decades of litigation, by which point the tar sands may be obsolete as clean energy technology matures. **The real danger is to be found in projects like**

Enbridge's "Seaway reversal" and TransCanada's proposed "Cushing extension" which would take oil from Oklahoma down to the Gulf coast for export.

**MYTH #8:** *The Midwest is crisscrossed with pipelines already, and we don't have any problems with them.*

**FACT:** To take just one example, **the original Keystone 1 pipeline has been plagued by problems since its opening in 2009 – at least 12 reported spills, including one of 21,000 gallons last spring.** And before TransCanada did an about-face, Keystone XL was slated to be the first tar sands pipeline routed through the environmentally sensitive Sandhills region -- not to mention that a future project could still cut directly through the heart of the Ogallala aquifer.

**MYTH #9:** *The government review process for Keystone XL has been fair and thorough.*

**FACT:** The US State Department (the agency responsible for vetting the project) conducted a sham review. Their activities have been tainted by a conflict of interest in favor of the project and they have failed to assess pipeline safety issues with any rigor, inadequately consulted Tribal nations, and neglected to protect Americans from eminent domain threats made by TransCanada. This includes preferential treatment for TransCanada's chief lobbyist (a former aide to State Department Secretary Clinton), as well as outsourcing much of the review process to a company who counts TransCanada as a major client. TransCanada is expected to resubmit an application for KXL soon; **we need an entirely new and unbiased review process.**



*Tar sands development leaves an enormous scar on the boreal forest at this site near Fort McMurray, Alberta, Canada (Photo: SkyTruth)*

**MYTH #10:** *Keystone XL will generate hundreds of millions in new tax revenue for states along its path.*

**FACT:** The Cornell study repeatedly shoots down TransCanada's economic claims, saying that **"What is being offered by the proponents is advocacy to build support for KXL, rather than serious research aimed to inform public debate and responsible decision making."** Like their jobs figures, this tax revenue estimate seems to have materialized out of thin air, and in fact the original Keystone 1 project has failed to come anywhere close to projections: according to tax filings in South Dakota, for example, revenues have been less than one-third of what TransCanada promised.<sup>v</sup>

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*These claims are only the latest in a long-running battle between Big Oil and Reality. For the full scoop on Keystone XL and what it really means for the United States, visit [www.nwf.org/KeystoneXL](http://www.nwf.org/KeystoneXL) or email Peter LaFontaine, NWF's Energy Policy Advocate ([lafontaine@nwf.org](mailto:lafontaine@nwf.org)).*

<sup>i</sup> [http://www.ilr.cornell.edu/globalaborinstitute/research/upload/GLI\\_KeystoneXL\\_Reportpdf.pdf](http://www.ilr.cornell.edu/globalaborinstitute/research/upload/GLI_KeystoneXL_Reportpdf.pdf)

<sup>ii</sup> <http://finance.yahoo.com/news/environmental-groups-unions-support-president-220700510.html>

<sup>iii</sup> <http://thehill.com/blogs/congress-blog/energy-a-environment/189595-tar-sands-pipeline-will-comfort-our-enemies>

<sup>iv</sup> <http://blog.nwf.org/2011/01/big-oils-pipeline-scheme-to-increase-midwest-gas-prices/>

<sup>v</sup> <http://www.keloland.com/NewsDetail6162.cfm?id=123651>