

## 5 Myths About Keystone XL, Debunked

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*As the State Department nears a decision on whether or not to approve the Keystone XL pipeline, the media is exaggerating its economic benefits and downplaying environmental risks to advocate for the project. Here, Media Matters takes on five of the prevailing media myths about Keystone XL.*

1. [Would Keystone XL contribute to climate change?](#)
2. [Does the new pipeline route resolve local environmental concerns?](#)
3. [How would the pipeline impact U.S. energy security?](#)
4. [How many jobs would building the pipeline create?](#)
5. [Would Keystone XL affect gasoline prices?](#)



### MYTH: Pipeline Would Not Increase Carbon Emissions

- A *Washington Post* editorial argued that concerns about the climate impact of the pipeline are irrelevant because "Supply would make it to demand, one way or another." [*Washington Post*, [1/23/13](#)]
- Fox News contributor Charles Krauthammer said it is "ridiculous" to think that "if you don't build the pipeline [the oil] will stay in the ground," adding: "Canada's not going to leave it in the ground so it's not going to have any effect on the climate." [Fox News, *Special Report*, [2/13/13](#)]
- A *Washington Times* op-ed by the Institute for Energy Research's Tom Pyle claimed that "preventing the construction of the pipeline in the United States won't stop the Canadian oil from going to other parts of the world. Rejecting the pipeline and allowing Canada to send its oil via pipeline, train and tanker to Asia actually would generate more carbon-dioxide emissions than its proposed route through the United States." [*Washington Times*, [2/6/13](#)]
- *Washington Examiner* editorial writer Sean Higgins wrote: "The environmentalists just simply don't want to develop any new carbon- based energy sources ... Never mind that Canada will develop the tar sands oil regardless of what the United States does." [*Washington Examiner*, [2/6/13](#)]

### FACT: Pipeline Could Spur Expanded Production Of Dirty Tar Sands Oil

**CRS: Keystone XL Would Increase U.S. Emissions By The Equivalent Of Up To Four Million Cars Annually.** The nonpartisan Congressional Research Service found in a survey of published literature that because tar sands oil is more carbon intensive than conventional crude oil, the Keystone XL pipeline would increase U.S. greenhouse gas emissions by the equivalent of "approximately 558,000 to 4,061,000 passenger vehicles" annually:

- Canadian oil sands crudes are on average somewhat more GHG emission-intensive than the crudes they would displace in U.S. refineries, as Well-to-Wheel GHG emissions are, on average, 14%-20% higher for Canadian oil sands crude than for the weighted average of transportation fuels sold or distributed in the United States;
- discounting the final consumption phase of the life-cycle assessment (which can contribute up to 70%-80% of Well-to-Wheel emissions), Well-to-Tank (i.e., "production")

GHG emissions are, on average, 72%-111% higher for Canadian oil sands crude than for the weighted average of transportation fuels sold or distributed in the United States;

- compared to selected imports, Canadian oil sands crudes range from 9% to 19% more emission-intensive than Middle Eastern Sour, 5% to 13% more emission-intensive than Mexican Maya, and 2% to 18% more emission-intensive than various Venezuelan crudes, on a Well-to-Wheel basis;
- the estimated effect of the proposed Keystone XL pipeline on the U.S. GHG footprint would be an increase of 3 million to 21 million metric tons of GHG emissions annually (equal to the annual GHG emissions from the combustion of fuels in approximately 588,000 to 4,061,000 passenger vehicles)

But CRS noted that the effect on global greenhouse gas emissions depends on whether the project accelerates tar sands extraction in Canada. [Congressional Research Service, [6/18/12](#)]

**Expanded Tar Sands Production Is Not Inevitable.** A common argument in favor of the Keystone XL pipeline is that Canadian tar sands will be developed one way or the other, so the U.S. may as well transport that oil. But alternative pipeline routes face regulatory hurdles and strong opposition from local and environmental groups that could delay or halt the projects altogether. The proposed Enbridge Northern Gateway Pipeline, which would transport the tar sands oil to Canada's west coast, would likely face opposition from environmentalists in Canada in addition to possible legal challenges from more than 100 First Nations in Western Canada. Meanwhile, the proposal to double the capacity of the Kinder Morgan Trans Mountain pipeline, which runs from Alberta to British Columbia, faces resistance from residents near the port, and is unlikely to be completed in the next decade, if at all. Thus, an analysis by the Canadian environmental think tank Pembina Institute found that Keystone XL would be a "key driver for oilsands growth," increasing production by 36 percent. [Pembina Institute, [2/24/12](#)] [*Vancouver Sun*, [12/13/12](#)] [*Vancouver Observer*, [11/30/12](#)] [Pembina Institute, [1/17/13](#)]

**Industry Analysts Say Blocking Keystone XL Would Delay Expansion Of Tar Sands Production.** Many industry analysts and executives have said that without Keystone XL, limited pipeline capacity would impede expanded tar sands production. For instance, *The Globe and Mail* reported:

If the \$7-billion (U.S.) project is not built, the energy sector faces the prospect of being "landlocked in bitumen," with no way to get mounting crude production to market. Without the massive new line, whose environmental impact has become the subject of heated debate in the U.S., existing pipelines could be constrained in as little as four years.

[...]

"Unless we get increased [market] access, like with Keystone XL, we're going to be stuck," said Ralph Glass, an economist and vice-president at AJM Petroleum Consultants in Calgary. [*The Globe and Mail*, [6/8/11](#), via [Grist](#)] [[350.org](#), 2013]

**Several Top Climate Scientists Oppose The Project.** Skeptical Science noted that 18 of the country's top climate scientists oppose Keystone XL because of its potential climate impacts. Peter Gleick, a scientist who specializes in the connections between water and climate change, wrote that while the pipeline itself is "not a game changing or planet-threatening project," it is part of "a far larger picture ... of potential planetary disaster." [Skeptical Science, [2/8/13](#)] [National Geographic's ScienceBlogs, [2/10/13](#)]

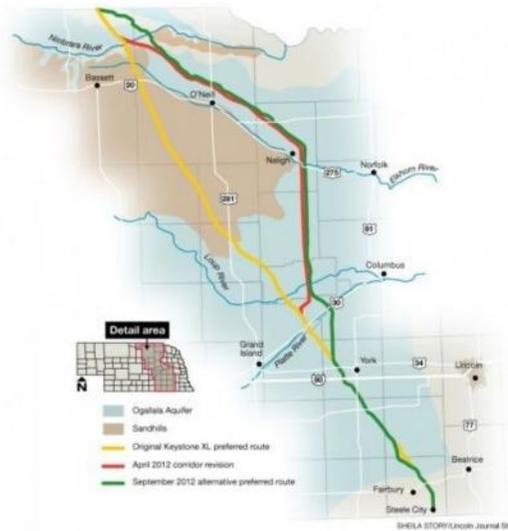
#### MYTH: New Route Would Avoid Sensitive Ecosystems

- Fox News contributor Juan Williams said that the threat to the Ogallala Aquifer "was a real issue," but "now they have a different route." [Fox News, *Special Report With Bret Baier*, [2/13/13](#)]
- In a *Wall Street Journal* column, the Cato Institute's Paul Knappenberger argued that "the arguments against the pipeline have all but evaporated. The route now largely bypasses the most ecologically sensitive regions." [*Wall Street Journal*, [1/24/13](#)]
- A *Houston Chronicle* editorial stated: "With the sign-off by Nebraska's governor on a new route for the pipeline that avoids environmentally sensitive areas in the Cornhusker state, the president should give the project the green light." [*Houston Chronicle*, [1/28/13](#)]

#### FACT: Route Still Poses Significant Threat To Water Safety

**Route Still Crosses Large Aquifer, Where A Spill Could Pose "Serious Health Risks."** The original Keystone XL pipeline route proposed by TransCanada faced steep opposition from Nebraska politicians and landowners because it crossed an ecologically sensitive region called the Sandhills, as well as the Ogallala Aquifer, which provides drinking water for two million people. A study by John Stansbury of the University of Nebraska-Lincoln warned that a worst-case spill in Nebraska "would pose serious health risks to people using that groundwater for drinking water and irrigation." [*Lincoln Journal Star*, [7/11/11](#)] [*Media Matters*, [10/3/11](#)]

**New Pipeline Route Technically Skirts Sandhills, But Still Crosses Area Vulnerable To Spills.** The new pipeline route proposed by TransCanada technically avoids the boundaries of the Sandhills, as determined by the Nebraska Department of Environmental Quality. But it would cut through areas that are ecologically similar to the Sandhills, and it would still cross the Ogallala Aquifer, as this map from the *Lincoln Journal Star* illustrates:



[Lincoln Journal Star, 9/6/12]

Landowners have expressed frustration that TransCanada's narrow focus on avoiding the Sandhills overlooks the larger risks it poses to Nebraska's water supply. InsideClimate News reported:

**The company's preferred corridor avoids the Sandhills of southwest Holt County, just as TransCanada promised it would. But it still crosses through northern Holt County, where the soil is often sandy and permeable and the water table is high--the same characteristics that make the Sandhills so vulnerable to the impact of an oil spill.**

In some parts of the new corridor, the groundwater lies so close to the surface that the pipeline would run through the aquifer instead of over it.

Hydrogeologist Jim Goeke, a professor emeritus at the University of Nebraska-Lincoln, said an oil spill in northern Holt County would contaminate the local groundwater, just as it would in southwestern Holt County. "You still have the same kind of problems, essentially, but you get around the Sandhills, and that was the purpose of the rerouting."

The landowners' disappointment is compounded by the popular perception that the new route has addressed Nebraskans' concerns. [InsideClimate News, 4/26/12, emphasis added]

**Existing Keystone Pipeline Has Poor Safety Record.** TransCanada insists that there is little risk of a spill from the Keystone XL pipeline, and that it is prepared to contain leaks quickly and effectively. But TransCanada gave similar assurances about the current Keystone pipeline, which spilled 12 times in its first year of operation -- including a major leak of about 21,000 gallons in North Dakota. Since 1990, pipelines in the U.S. have spilled more than 110 million gallons of crude and petroleum products. And environmentalists warn that tar sands oil is more corrosive than conventional oil, which would make the Keystone XL pipeline more prone to leaks. [Media Matters, 10/3/11]

**Oversight Agency Lacks Resources To Manage Pipeline Safety.** The *New York Times* reported in 2011 that the agency tasked with enforcing pipeline safety regulations is chronically understaffed and under-funded:

The little-known federal agency charged with monitoring the system and enforcing safety measures -- the Pipeline and Hazardous Materials Safety Administration -- is chronically short of inspectors and lacks the resources needed to hire more, leaving too much of the regulatory control in the hands of pipeline operators themselves, according to federal reports, an examination of agency data and interviews with safety experts.

They portray an agency that rarely levies fines and is not active enough in policing the aging labyrinth of pipelines, which has suffered thousands of significant hazardous liquid spills over the past two decades. [New York Times, 9/9/11]

#### MYTH: Keystone XL Would Reduce U.S. Dependence On Foreign Oil

- On his Fox News program, Sean Hannity claimed the pipeline would help "limit our dependency on foreign oil," ignoring that the pipeline would transport *Canadian* tar sands oil. [Fox News, *Hannity*, 8/2/12, via Nexis]
- Fox Business' Gerri Willis claimed the pipeline "would help us as a nation become more energy independent." [Fox Business, *The Willis Report*, 1/23/13, via Nexis]
- The Institute for Energy Research's Tom Pyle claimed in a *Washington Times* op-ed that the pipeline would "lead the country toward energy security." [Washington Times, 2/6/13]

- Charles Drevna, president of the American Fuel & Petrochemical Manufacturers, wrote in a *Washington Times* op-ed: "At a time when unrest in the Middle East disrupted global oil supply, the president declined a pipeline that would have prevented the United States from spending \$70 million per day to purchase oil from this volatile region." [*Washington Times*, [1/3/13](#)]

## **FACT: Pipeline Would Not Shield Americans From Middle East Volatility**

**Keystone XL Would Not Provide Energy Security, Reducing Oil Consumption Would.** As even the pro-Keystone XL *Washington Post* editorial board acknowledged, the pipeline "would not endow the United States with 'energy security' in the sense that most Americans understand the phrase," which can best be achieved by reducing oil consumption:

[The Keystone XL pipeline] would not endow the United States with "energy security" in the sense that most Americans understand the phrase and that many pipeline advocates wield it. It would not significantly lower oil prices. In fact, when it comes to oil, America will be affected by global events for decades, and that's assuming the right policies are in place.

The Congressional Budget Office (CBO) underscored that point in **a report it released last week**. "The extensive network of pipelines, shipping and other options for transporting oil around the world means that a single world oil price prevails," the CBO pointed out. "Disruptions related to oil production that occur anywhere in the world raise the price of oil for every consumer of oil, regardless of the amount of oil imported or exported by that consumer's country."

If the United States imported every barrel it burned from Canada -- or even unearthed it from American soil -- a revolution in Libya, production quotas in Saudi Arabia or riots in Nigeria would still affect American consumers. Unless, as Michael Levi of the Council on Foreign Relations and The Post's Brad Plumer **pointed out**, America were to take the extraordinary step of removing itself from the world oil market entirely, which could lead to its own price spikes and ignite a trade war.

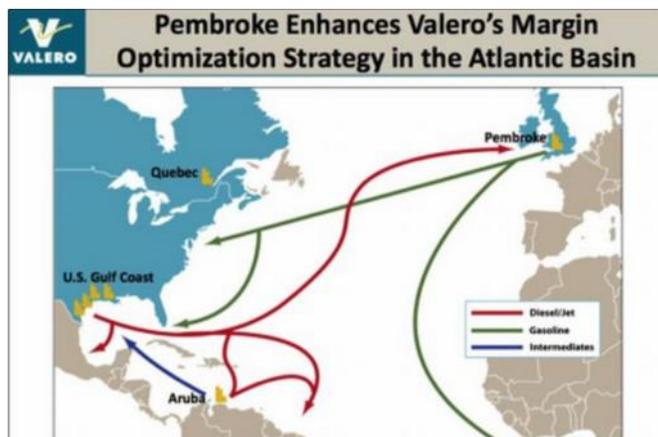
With enhanced domestic and Canadian production, the country would achieve a certain energy independence: If the world oil market were to collapse because of a global war or another catastrophe, America would maintain access to its energy resources, though they could be much more expensive. But producing more oil here or north of the border would never mean, as Newt Gingrich put it in February, that the United States could "no longer worry about the Persian Gulf."

In fact, the best way to insulate Americans from oil-price volatility and other drawbacks of oil use would be to use less oil. The price would still move around, but it would matter less. Such an approach would also help achieve the most important energy priority: slowing climate change. [*Washington Post*, [5/13/12](#)]

**Much Of The Tar Sands Oil Is Expected To Be Exported.** A *New York Times* editorial noted that much of the Canadian crude that would be transported by the Keystone XL pipeline could be exported overseas:

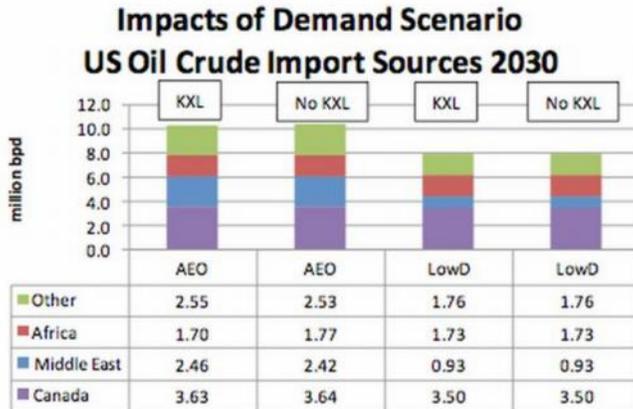
What pipeline advocates -- including big-oil lobbyists and House Republicans who have tried to force an early, favorable decision -- fail to mention is that much of the tar sands oil that would be refined on the Gulf Coast is destined for export. Six companies have already contracted for three-quarters of the oil. Five are foreign, and the business model of the one American company -- Valero -- is geared toward export. [*New York Times*, [10/3/11](#)]

Indeed, Valero has indicated to its investors that it plans to export diesel and jet fuel from its Gulf Coast refineries, while importing gasoline from its Pembroke refinery in the U.K. The following chart is from a September 2011 presentation:



[Media Matters, 11/9/11]

**Analysis: U.S. Imports Are "Insensitive" To "Whether Or Not KXL Is Built."** The nonpartisan Congressional Research Service noted that even if the oil from Keystone XL is exported, "it may still displace foreign imports from elsewhere." However, a 2010 report prepared for the Department of Energy concluded that "U.S. crude oil imports" from the Middle East, Africa, Canada and other countries are "insensitive" to "whether or not KXL is built." The following chart shows "only minimal differences between the KXL and No KXL cases" for each scenario:



[Congressional Research Service, 4/4/12] [U.S. Department of State, 12/23/10]

#### **MYTH: Keystone XL Would Create Tens Of Thousands Of Jobs**

- *The Washington Post's* Jennifer Rubin claimed that the Keystone XL pipeline is "predicted to spur 20,000 jobs." [*Washington Post*, 2/4/13]
- A *Washington Times* editorial claimed that Keystone XL would create "upward of 20,000 jobs." [*Washington Times*, 11/19/12]
- An *Investor's Business Daily* editorial claimed that the pipeline would "directly create 20,000 truly shovel-ready jobs." [*Investor's Business Daily*, 1/23/13]
- A *Colorado Springs Gazette* editorial claimed the pipeline "would immediately create 20,000 high-wage, genuinely 'shovel-ready' jobs" and "would create an additional 179,000 American jobs" by 2035. [*Colorado Springs Gazette*, 1/23/13]

#### **FACT: Job Estimates Have Been Wildly Inflated**

**Exaggerated Figures Based On A "Flawed" Analysis Funded By TransCanada.** TransCanada has claimed that the Keystone XL pipeline would "create 20,000 construction and manufacturing jobs in the U.S." as well as "118,000 spin-off jobs." These estimates are based on an analysis by the Perryman Group -- funded by TransCanada -- that independent analysts have called "dead wrong," "meaningless," "flawed and poorly documented." TransCanada has also been criticized for using the term "jobs" to refer to what is actually an estimate of "person-years of employment." [TransCanada, 10/6/11] [*Media Matters*, 1/26/12]

**Revised TransCanada Estimates Are Much Lower.** Media outlets are continuing to cite TransCanada's original job estimates for the entire length of the Keystone XL pipeline, even though the southern portion is already under construction. TransCanada is now saying that the northern portion of the pipeline will support 9,000 American jobs through early 2015, in addition to the 4,000 workers constructing the southern portion. [ABC News, 1/23/13]

**State Department: Pipeline "Would Not Have A Significant Impact On Long-Term Employment."** The State Department estimated in 2011 that the pipeline would create "5,000 to 6,000 direct construction jobs," but noted that the project "would not have a significant impact on long-term employment":

Regarding employment, the construction of the Keystone XL pipeline would likely create several thousand temporary jobs associated with construction; however, the project would not have a significant impact on long-term employment in the United States. While some reports have suggested there could be over 100,000 direct and indirect jobs created by the pipeline, this inflated number appears to be a misinterpretation of one of the economic analyses prepared on the pipeline. Based on the amount of money the applicant projects it would spend on labor in building the pipeline, and the number of construction crews likely to be used in constructing the pipeline, the final EIS estimated there would be approximately 5,000 to 6,000 direct construction jobs in the United States that would last for the two years that it would take to build the pipeline. [*National Journal*, 1/18/12]

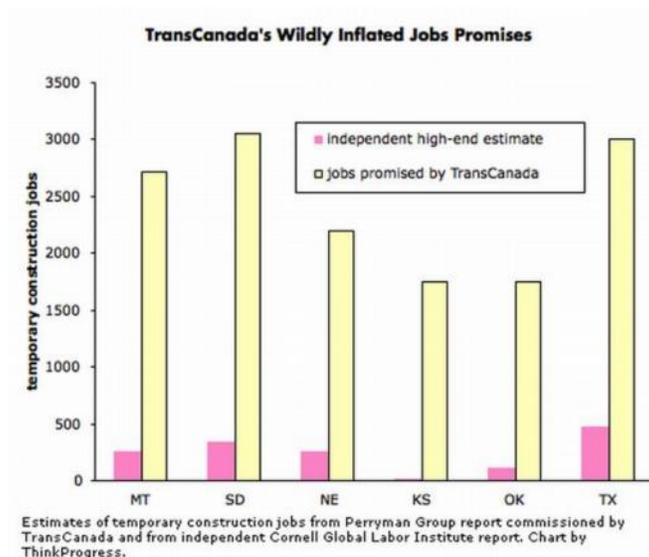
**Cornell University Report: Permanent U.S. Jobs Could Be "As Few As 50."** A report by the Cornell University Global Labor Institute stated that the pipeline "will create no more than 2,500-4,650 temporary direct construction jobs for two years, according to TransCanada's own data supplied to the State Department." It estimated that "the new permanent US pipeline jobs in the US number as few as 50." The report also argued that the Perryman Group study ignored the negative consequences of the pipeline, which could lead to more jobs lost than would be created:

The industry-generated jobs data are highly questionable and ultimately misleading. But this is only part of the problem. These industry-generated data attempt only to tell the positive side of the KXL jobs story. There is evidence to suggest that the effects of KXL construction could very well lead to more jobs being lost than are created. In this section, we show four ways that jobs can be destroyed or prevented by KXL -- higher petroleum prices, environmental damage such as spills, the impact of emissions on health and climate instability, and the chilling effect KXL approval could have on the emerging green economy.

[...]

Put simply, KXL's job creation potential is relatively small, and could be completely outweighed by the project's potential to destroy jobs through rising fuel costs, spill damage and clean up operations, air pollution and increased GHG emissions. [Cornell University Global Labor Institute, **September 2011**]

The following chart from Think Progress contrasts TransCanada's construction job estimates with the high-end projections from Cornell's report:



[ThinkProgress, 11/4/11]

#### **MYTH: Keystone XL Would Lower Gasoline Prices**

- Fox News' Sean Hannity claimed that Keystone XL would "lower gas prices at the pump," adding "Where is the downside?" [Fox News, *Hannity*, 8/2/12, via Nexis]
- Steve Doocy said on *Fox & Friends*, "The White House says they're doing everything possible to deal with rising oil prices. But what about that pesky Keystone XL pipeline? Wouldn't that help?" [*Media Matters*, 2/22/12]
- A *Washington Examiner* editorial claimed that an oil bottleneck was causing high gasoline prices due to a lack of pipelines and refineries, and that one "solution" was Keystone XL. [*Washington Examiner*, 10/15/12]

#### **FACT: Any Impact On Gas Prices Would Be Imperceptible**

**CRS: Keystone XL Will Not Protect Against Oil Price Swings.** A report from the nonpartisan Congressional Research Service noted that expanding access to Canadian oil resources will not protect against volatile crude oil prices, which are impacted by international events:

[E]ven if Keystone XL is built, prices for the crude oil it carries as well as for domestically produced oil from elsewhere will continue to be affected by international events. The oil market is globally integrated and events in major producer and consumer countries can affect prices everywhere. [Congressional Research Service, 1/24/13]

**Experts Agree Keystone XL Would Have An Imperceptible Effect On Gas Prices.** Energy experts agree that the Keystone XL pipeline would have little, if any, impact on gasoline prices. UC Berkeley's Severin Borenstein told *Media Matters* that the pipeline would "bring additional oil to the world market, starting around 2020. The effect on oil prices then will be miniscule, the effect in the next couple years nonexistent." Michael Levi, an energy expert at the Council of Foreign Relations, agreed that the impact of Keystone XL on gas prices "would be very small." Even Ray Perryman, the economist hired by TransCanada to assess the economic benefits of the pipeline, said the effect would be "modest" and likely "swamped by the day-to-day factors that impact market prices." [*Media Matters*, 2/23/12]

**The Pipeline Could Increase Gas Prices In The Midwest.** Because the southern portion of the Keystone XL pipeline would relieve the current glut of oil in the Midwest, some energy analysts believe it would raise gasoline prices there. Energy expert Severin Borenstein told *Media Matters*: "If anything it will raise gas prices slightly in the Midwest by relieving the bottleneck on getting oil out of that area." Canadian economist Andrew Leach agreed, saying: "Long term, it's probably close to a wash, but if anything, it's a small increase from eliminating the crude glut in the Midwest." [*Media Matters*, 2/23/12]

**Long Term Solution To Volatile Gas Prices Is Reducing Oil Consumption.** Because gasoline prices are largely determined by the cost of crude oil, which is set on the world market, experts say that the way to reduce our vulnerability to gas price spikes is to decrease our dependence on oil, regardless of where the oil comes from:

- Michael Levi, Council on Foreign Relations: "Since oil is traded on a global market, the effects of volatility are reflected in the price of every barrel of oil regardless of its origin. This problem can be addressed only by making the U.S. economy more resilient to oil price swings, which includes -- most significantly -- lowering total U.S. oil consumption."
- Energy analyst Chris Nelder: "Increasing efficiency is going to be a far more productive policy tool than increasing supply."
- Economist Severin Borenstein: "To fix the problem, we just need to use less oil." [*Media Matters*, 2/23/12]

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Show/Publication	Colorado Springs Gazette